THE KNOWLEDGE CREATION OF FRANCHISEE AND FRANCHISOR: A CASE STUDY OF OCHAYA IN THAILAND

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ABSTRACT

Knowledge management is very essential for organization that linked with uncertain of market and economy situation to manage their competitive advantage through current circumstances. The organizations that can move faster on knowledge and merge with new innovation to make the organization more powerful in term of creating knowledge develop new efficiency processes to support the whole organizations as the spiral of knowledge that present how knowledge work in the organizations. (Nonaka, The Knowledge Creation Company, 2007)

This thematic paper attention about how knowledge management in term of knowledge creation plays in the franchise business that the purpose is to collect existing tacit and explicit knowledge and search more about necessary knowledge that would implement to fulfill the knowledge gap between franchisor and franchisees to develop the working processes between them through knowledge creation of the both sides. The case study of this thematic would like to present is new comer of pearl tea franchise that has operated for two years which high competitive market situation in Thailand, so this case will lead to answer what are critical knowledge that this franchise need to gain and transfer to franchisees.

KEYWORDS: Knowledge management/ knowledge creation/ franchise business/ knowledge gap

25 pages

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CHAPTER I

INTRODUCTION

In today business world, businesses are quickly in the quick development as a result of highly changing global market environment, in which high pressure from rival competition in its industry also impacts on how to do the business. This reason leads organizations to manage and focus on their operation processes to gain more competitive advantages that linked to the nature of knowledge management in term of gaining and distributing to improve and develop knowledge model in each organization. As the importance of acquiring all existing and new knowledge that convert between individuals to working units or the whole organizations, the two types of knowledge that play the major role of knowledge creation are tacit and explicit. Both of them can lead the business to the way out to deal with the high competitiveness of the market. (Perrott, 2007)

The objective of the thematic is to study the knowledge creation gap that is obtained from information-based perspective, which is based on individual perspective. Knowledge can be created attach by systematically organizing existing information in the organization, and exploited actions of people. The knowledge has only a focus on data and information, but the thematic emphasizes both sides of knowledge creation, which are tacit and explicit. They have been in practice in Ochaya, the Taiwanese ice tea franchise business. The tacit knowledge that this thematic needs to recover is about how people convey their own abilities and experience to others as the soft side of knowledge. Sometimes, it is considered as knowledge of individuals or unique personal skills that people cannot learn from any documents or any form of media. It is the knowledge that exists only in a particular person by gradually acquiring from experience time, individual talent, transmitted from day-to-day communication. This type of acquiring knowledge can create the development and sharing between person and the whole organization. Consequently, it leads to latest, value-added knowledge based workforce which is considered as one

of the competitive advantages of the business. On the other hand, the explicit knowledge is the form of gaining information through documents, and then transferring in various types of materials such as reports, books, literatures, and manuals, in which people can access to them in a more comfortable manner, especially in the working condition required the use of documents as its means of recording the contents of business operation. (Nonaka, The Knowledge Creation Company, 2007)

Regarding franchise business, the nature of this type of business is about selling the right of trademark to franchisees and providing expertise in some particular operational functions, e.g., recipe (production), operation management, marketing, sales management, strategic management, etc. to franchisees. This is to ensure the quality and consistency of the products and day-to-day operations of each particular branch, to the extent that the customers are able to sense the same, consistent standard of franchise businesses. Moreover, the reason why the beverage franchise was selected into the studies in this thematic interest to the selection of the beverage franchise is because many studies positively demonstrate that this kind of business has readily increased market share about 4-5 percent. (ศูนย์วิจัยกสิกรไทย , 2013) However, the market of beverage still has the challenge as the effect of economic recession and political uncertainty, in which they impact on the decrease of purchasing power and the downturn of consumer market situation.

In this economic environment, a beverage business, especially the pearl tea, consumers tend to reduce their spending and consumption. They think about it over and over again before spending their money, and turn to pay for something else that is more essential to their lives.

As a result, it is rather challenging for the case study of the thematic to manage its franchisees, not only through the intensified market competition, but also the economic and politic situation. This challenge might somehow encourage franchise business to create new knowledge management strategies to tackle with the fast changing business knowledge world. The research question that this thematic would like to search such as what is the existing tacit and explicit knowledge of franchise? What is knowledge gap of franchise in knowledge creation? How many important knowledge creations that already participate on working processes? If they don't have, what should they do to have as recommendation from the research?

This thematic has several structures to descript the study of tacit and explicit knowledge for franchise businesses. After the introduction of the paper about the purpose of the study, literature review is the next step to manage varieties knowledge of knowledge creation, tacit and explicit, from famous researchers that already present the theory and definition of knowledge management through knowledge creation. Following the literature part will be research methodology because this thematic case needs to collect data and information that will create the knowledge after the outcome of each research topic. In fact, the research purpose is to find out and answer questions by truthfully resource currently with real market situation, so this part will answer how to collect and manage data through information. Subsequently, analysis and discussion part will generate the information of interview questions and observation into result that the case is corresponding to theory from the literature. The last is about the conclusion that summarizes the whole thematic paper and recommend to others about how to use this thematic paper to future research paper.
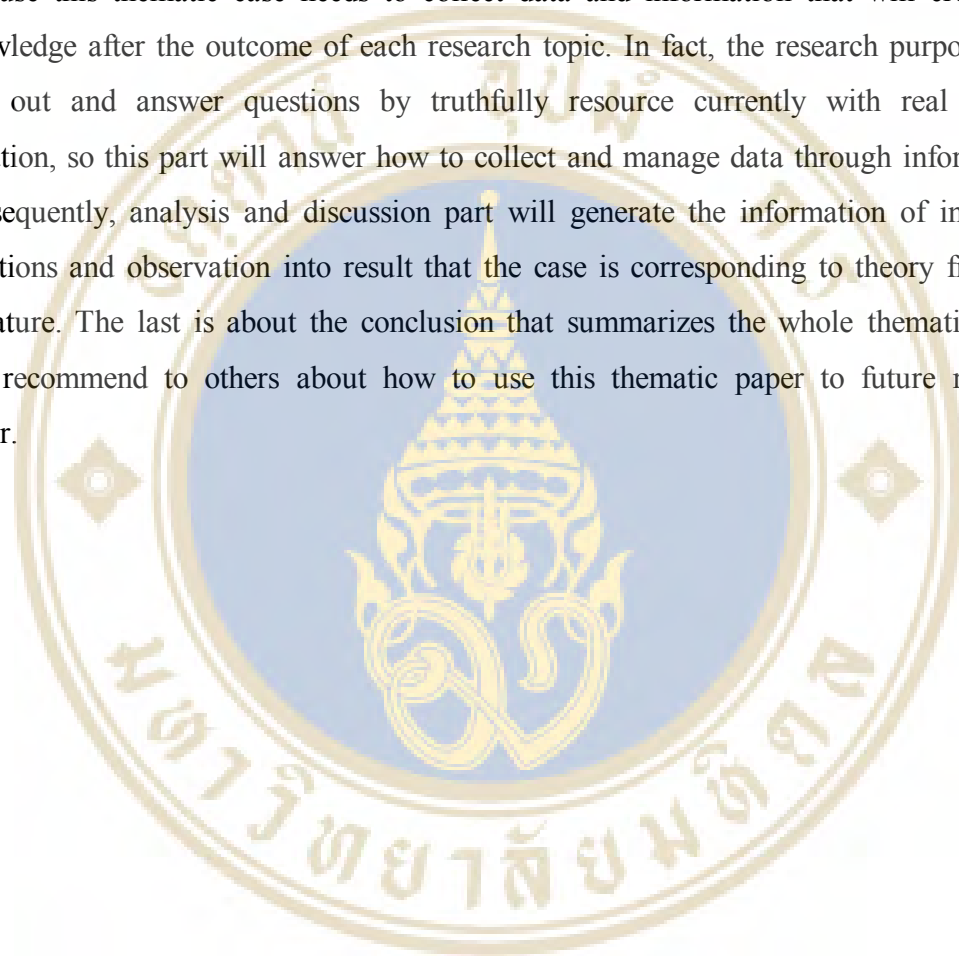
CHAPTER II
LITERATURE REVIEW

Knowledge Management is very significant for an organization, especially in the era of globalization and fast growing business, on how to manage the specific, practical knowledge that would be able to create competitive advantage to the organization. As the importance of acquiring all existing and latest knowledge that convey and convert between departments or organizations, most companies invest a great deal of money to set up their own latest, upgraded information system to make it easier to transfer their knowledge, collecting, and sharing them to employees to become the knowledge-based companies. The point of the knowledge management that all organizations need to utilize is to improve employees' capability and to manage and develop new knowledge in order to improve working processes to enhance the organizational performance. The organizations that have the ability to can utilize and maximize appliances of resources to manage their knowledge management need to have clear directions and strategies of each department through the whole organization. (Perrott, 2007)

2.1 Knowledge Management

The knowledge management also needs its capability such as information-based, technology-based, and culture-based. Information-based capability can be described in both external and internal. For example, the external might be about customer feedback, further information from suppliers and customers, and the market situation that can link to competitive information. On the other hand, the internal is about processes that occur in the organization such as product & service management, HRM, HRD, Financial term, and operation. The technology-based capability is about how to use technology as system or tools to collect all the knowledge, and on how to secure all information. The last that is very important to all organizations, culture-based capability, representing background and values that employees play on each

organization such as team work and sharing attitude between employees (Alavi & Leidner, 1999).

The knowledge management process includes 4 processes frameworks which would be utilized in organization development by developing systematic process. (Maryam & Dorothy, 2001) as following;

2.1.1 Knowledge Creation

The knowledge creation is the data or information that organizations already create in their routine working processes, but after all processes, it is important to manage the new and more efficient working process. Besides, the development of knowledge creation also help employees to solve problems that occur in working processes. Employees also can learn new skills, past experience, and develop themselves as tacit knowledge changing agents, who have personal skills that are hard to explain in words or instruct through documents or information. Tacit knowledge can be conveyed to others, but employees have to spend time on the observation of actions and experience in order to obtain as the role model to build up the collective insight and approaching emotion. About explicit knowledge, it is something that people can share and learn by themselves as general knowledge with tangible data and learning about collecting information feedback from external parties, customers, or internal processes. The knowledge creation is involved with tacit and explicit knowledge. The tacit knowledge consists of cognitive tacit and technical tacit that explain about the mental models of each person and know-how as crafts ability.

2.1.2 Storage or Retrieval Knowledge

Storage Knowledge is about how to turn knowledge to be structured in the data and information format. It is not only about gathering all organization information and new understanding that occur in working processes, but also about how to gain knowledge as an analysis of the whole organization performance.(Alavi & Leidner, 1999)

2.1.3 Transfer Knowledge

The organization prefers to exchange information and knowledge within the organization through individual or group sharing throughout the whole organization. Sometimes, knowledge transfer can also be used as the exchange of information between one organization and the others. (Paulin & Suneson, 2012)

2.1.4 Knowledge Application

It explains about how organizations generate their knowledge to be value-added by the actual implementation within the organization. All employees are able to access to the knowledge and have directions and motivation to utilize knowledge as a tool to develop their ability through working processes. As a result, employees can apply the knowledge to their jobs in a more efficient and effective manner. (Maryam & Dorothy, 2001)

2.2 Knowledge Creation

According to earlier knowledge management process description, the knowledge creation basically originates from individuals. It is about personal attitude and perspective, after that it will convert or move to other people in the form of organization knowledge. It is not easy to exchange all skills, talent, information, or attitude among people due to the unique characteristics of tacit and explicit knowledge (Nonaka, 2007).

The knowledge creation can be notified and explained as the spiral of knowledge that present how knowledge creation works between tacit and explicit knowledge. Referring to the case study of Matsushita Electric Company, the company had to face with hardly the difficulty in the development of bread making machine, and they failed to make dough kneaded by the machine, so the company decided to send Tanaka, a software developer, to work with professionals in baking at the Osaka International Hotel in order to develop knowledge of kneading technique (Nonaka, The Knowledge Creation Company, 2007).
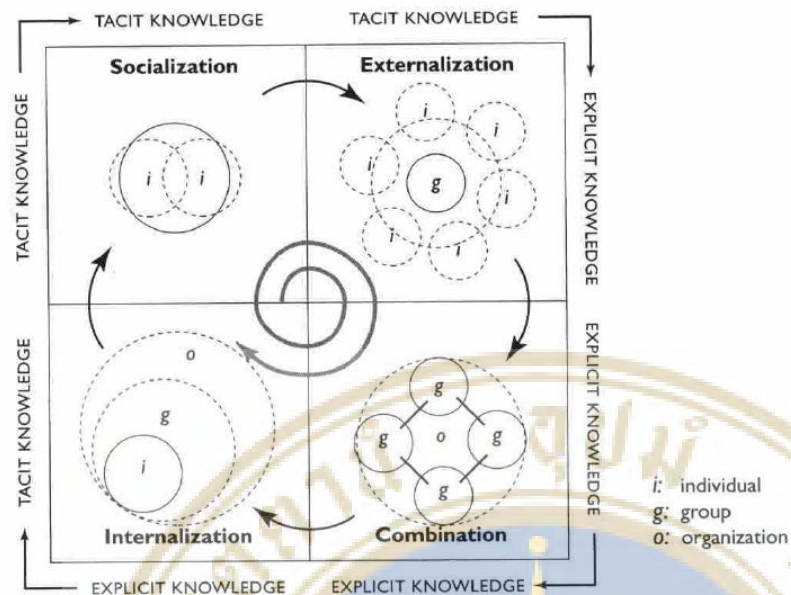
Figure 2.1: Spiral evolution of knowledge conversion and self-transcending process (Nonaka & Konno, The Concept of "Ba" Building a Foundation for Knowledge Creation, 1998)

2.2.1 Tacit to Tacit

This can be described as individuals try to give and share his or her tacit knowledge that cannot explain by only information or words to other people. Referring to the case study of Ikuko Tanaka, she was on-the-job training coached by the head of baker at the Osaka International hotel who has high reputation about making bread. Tanaka learned with the professional as a head of baker about his tacit skills as a personal know-how. She learned by watching, real simulation, and practicing. After the time of practicing, Tanaka realized that tacit could not teach, but it had to use certain amount of time to reserve and collect the skills and knowledge little by little in order to convert to her own through socialization, individual to individual, but for this kind of knowledge, it is only tacit which cannot transfer to systematic thinking. (Perrott, 2007)

2.2.2 Tacit to Explicit

The knowledge in this type is called externalization that can express individual tacit to explicit knowledge, referring to Tanaka tacit knowledge about how

to make dough, she converted her tacit to knowledge by sharing her skills and experience to others with difficulty in presenting her attitude and skills to be something that tangible and everyone is easy to understand. In addition, she required certain amount of time to generate such knowledge into a standard format of information. (Perrott, 2007)

2.2.3 Explicit to Explicit

After converting knowledge from individuals to others, the new knowledge will be used in the organizations. This kind of knowledge can be presented as reports that come from different working units such as financial reports, operation reports, or management reports. This stage can also create norms among people in the organization. (Perrott, 2007)

2.2.4 Explicit to Tacit

For this stage, the internalization presents the organization knowledge that people already learn by doing their jobs, training, and self-development. It is about gathering knowledge in ourselves, after that individuals will use all knowledge that his or her can accumulate around organization knowledge and develop his or her explicit to tacit knowledge as personal progress to be value adding to organization (Wu, Senoo, & Magnier-Watanabe, 2010). (Perrott, 2007)

Much new knowledge is also created by individuals through organization that can be value adding to the organization to develop knowledge and processes of employees' learning and sharing to others. The knowledge management will be more efficient when people or organization can present it out in terms of new knowledge in both Explicit and Tacit knowledge. (Wu, Senoo, & Magnier-Watanabe, 2010)
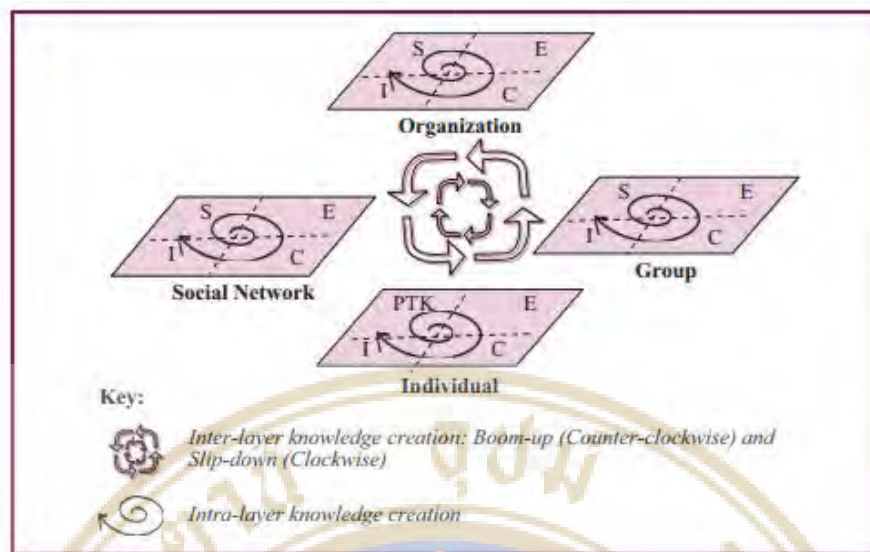
Figure 2.2: The ontological model of knowledge creation (Wu, Senoo, & Magnier-Watanabe, 2010)

As the earlier literature study from several reference, this thematic have to use the theory about knowledge creation that separates knowledge into two main parts: tacit and explicit knowledge. Tacit knowledge that cannot be touched or read from documents or reports, but it is something that has to gain from practice plus intelligence with a particular technique of each person. Tacit cannot be taught through words or documents, because it needs time to manage and create abilities and skills from individuals to others. On the other hand, explicit is something that is tangible and more concrete as the theory that comes from data and information passed proofing processes by analysis or synthesis through researches that everyone can understand and learn without practical processes.

Refer from Knowledge Creation, there are two main roles that tacit is rely on commonsense of individual, and explicit knowledge will base on intellectual and educated platform. The most important is how to balance tacit and explicit knowledge to utilize belong with work processes. As normally, Knowledge Creation always begins with formal data collection and shape into information. After organizations have assembled the whole information, organizations can create wisdom that will lead organizations' strategies to manage more effective direction toward currently business situation. (Smith, 2001)

The purpose that this thematic would like to study is about knowledge creation that happen in franchise business by answering research questions about what is the existing tacit and explicit knowledge of franchise, Ochaya? What is knowledge gap of franchise in knowledge creation? How many important knowledge creations that already participate on working processes? If they don't have, what should they do to have as recommendation from the research?

CHAPTER III
RESEARCH METHODOLOGY

Referring to the literature; it is very necessary to manage research methodology due to the data collection that creates the knowledge after the outcome of each research topic. Actually, the research purpose is to find out and answer the questions by first-hand resources and current market situation such as to gain data and information from people who are involve in the particular businesses or related to research atmosphere, to pull out framework as qualitative regulations to be type of research methodology, the quality to measure and evaluate data collection to analytic section in each question, and to be neutral for data collection and analytic without putting own interest and experience to the research

3.1 Type of the research

There are many types of research descriptive, analytical, applied, fundamental, quantitative, qualitative, conceptual, empirical, and so on. For the topic of thematic paper that about knowledge creation in term of tacit and explicit, the suitable research that can gain and management knowledge is qualitative research because information and data need to be real time situation with currently particular business unit. Qualitative research can choose to implement in many ways such as interview, focus group, observation, reflect note and so on. (Sogunro, 2002)

This study would like to introduce to use interview question and observation because interview questions search for getting a story about working experience of each employee who participates in a particular working unit such as operation, strategic, franchisee, and franchisor. Interview can also get further information that is based on past experience of interviewees. Moreover, interview can monitor personality. The question can follow up step by step through processes of work between person to person or one department to other departments. The thematic

presents the use of standardized, open-ended interviews, because this type of interview is suitable with time management, and compare and contrast on information on hand. As the interview can generate more useful information that come from hidden experience of each person, the research can dig down to quality knowledge that represents each person's competency and how each person adapt their ability into the actual work situation. (Dawson, 2002)

This thematic also use six types of Socratic question to increase effective research question to value question that lead to tacit and explicit knowledge. The example of some of six Socratic questions that this study will use to gain data such as questions that explore reasons and evident question, perspective questions that present deep down question in each department and function, and question that explore suggestion and result that question would like to point about how to develop working processes

This thematic would like to use Ochaya, pearl tea franchise brand to be the study case. Ochaya is the franchise of pearl tea and beverage that make from red tea and jasmine tea (green tea from Taiwan) with verities of topping such as jelly pearl, black jelly, herd jelly, conjac, and so on. Ochaya has found in 2007 with two small shops that operated by the owner, Mr. Stanley Yu, that have interested in Taiwan tea and would like to present the real tasting of tea leaf that import directly from Taiwan. Behind the operating for several weeks, there are many customers who need to turn to partner and ask for buying beverage recipe, so it's the beginning of developing Ochaya to be franchise. After 2009, Ochaya have fully managed as franchise business and became expand more and more in Bangkok area through other country sides. In the 2012, Ochaya have declared as one of the biggest pearl tea franchise in Thailand that have shop more than 220 branches in Bangkok and 21 branches in other provinces.

3.2 Questions to Research Knowledge Creation Gaps

As this thematic aims to search for the fact knowledge in franchise business, Ochaya, the open-end question is the most suitable for the case with openly for any level of knowledge and advanced knowledge that crated by individuals or groups. This thematic question will consist of many functions such as marketing,

management, training and development, and legal. Main topic questions will cover in terms of franchisee and franchisor sides that readers can see the difference between each side knowledge creation and how to close the gap or convert the knowledge from franchisor to franchisee as follows;

- What is existing knowledge that the franchise already has? Please explain in-depth details? What is the important knowledge or ability to do this business?
- How do you make sales? How do you get leads? Do you provide an initial customer base? Do you offer training in each branch? Do you need to have sales experience?
- How is your compliance with the franchise system measured? What happens if you don't comply? How long do I have to remedy any problems?
- Who is responsible for training and how well are they to do so? What does training cover and in what extent of depth? What is the balance of theoretical and practical training? Is there any practical experience in existing franchisor and franchisees?
- What do you know about your strength and weakness? What is you competency? How would you do the similar job in different situations? (Ex. Problem-solving on unexpected problems)

CHAPTER IV

DATA ANALYSIS AND DISCUSSION

As the thematic that has gathering all data, information, and experience

Table 4.1: The interviewees and level organization

Level	Operation level	Strategy	Franchisees	Franchisor
Number	2	2	1	1
Name	Mr. Sangurthai	Mrs. Sirikorn Muangsrisai (Legal Advisor)	Miss Krittaya Petchsang	Mr. Stanley Yu (CEO)
	Mr. Jarakra nuinprajun	Mr. Pisit Paisiri (New Shop Opening Project Manager and field Training)		

4.1 Interpret Data Collection

Refer to the data collection that this thematic collects from particular persons, this thematic data analysis tend to analyze the main topic s questions that are already discussed in the research methodology and the observation that take places in both franchisor offices (training room), 1 branch of Ochaya franchisees (Salaya Mahidol), and Ochaya under the operation of the head office (BTS Victory Monument). The interviewees handle a variety functions and have differences on each

perspective and point of view in terms of experience, ability, and skills. From over the entire questions that this thematic provided to the interviewees can separate into three main topics that we can find on existing knowledge creation that are training for operation, marketing in term of promotion, and operation in branch.

The analysis of explicit that already existing in the franchisor and franchisee side as follows;

4.1.1 The format about sales information

In each area of Thailand that every franchisees have to summarize and send them to the head office on a monthly basis as the data collection about revenue of each branch. After the head office of Ochaya obtains the data, they will use them as base information to calculate the cursory revenue of all branches. It is on the manual basis to collect the data from franchise and is quite timely processes that employees have to collect and analyze every week.

4.1.2 The inventory management form and ordering form

Franchise also provides the inventory management form and ordering form that franchisees have to order every week or every month. Ochaya will collect data to manage their inventory by accumulating ordering from each branch. However, Ochaya didn't require us to present which menu or material that we have used in everyday operation, so it might be low qualifed information to generate to knowledge sharing in terms of exchanging information about favorite menu in each area. Furthermore, Ochaya didn't give me the feedback about material or specify the popular menu that they have collected the data from all branches.

4.1.3 The training in-house format

As the standard that franchise business normally has, to create as quality control of franchisees. The training is very important for Ochaya, because pearl tea and beverage have to be the same taste in every branch. Moreover, the training has to be standard platform as recipe report that franchisees will have on hand. Ochaya creates course of training every week about 4-6 days to ensure that tea makers can remember and make all menus with only memorization. After finishing up the course,

franchisees and employees, who operate shops, have to pass the examination of tea tasting. Franchisees will get a certificate in order to guarantee that they can make tea as good as the standard requires, but if franchisees don't pass the exam, they have to start the whole course again and repeat the examination.

The analysis of tacit that already existing in the franchisor and franchisee side as follows;

4.1.4 Know-how of the brand

As the franchise business operation, the tacit knowledge always exists because the franchise business rely on know-how of the brand, so the tacit knowledge of Ochaya can be observed in the training room and interview field training from Ochaya that they already have developed experience and skills about how to manage the training as a practice section. The observation in the training room about how to boil green tea and red tea are very tacit in terms of average time, suitable temperature to boil, and how to stir both type of tea, but the important is how you know that tea is perfect to use by visual and smelling inspection of the tea leaf. Trainers will start the training by introducing about indications about each type of tea that link to why temperature is so important, because if the temperature is too high, the nutrition from green and red tea will be destroyed. Even for the Ochaya tea, herb tea, there are tacit to make tea smeller and how to keep tea to sell in suitable temperature. The knowledge Accumulation that trainers gather from experiments many times along with research and development that need to develop the superior of tasting. Moreover, Ochaya also gives attention to make pearl jelly because it's the best seller topping with the tea, so the tacit to make pearl jelly also very interesting and cannot easily compose without the observation method.

4.1.5 Self-learning

The tacit knowledge that I have got from operation level is about how to manage and develop self-learning within the real shop situation. It's every important for franchisee to manage employees' capability to maintain processes of each procedure such as managing cahiers, managing shop that include how to do drinks and over all display.

4.1.6 Customer Relation

One of the biggest success factors that make franchisee's branches have customer-base is how to create good relation between operation staff in branches and consumers. As observation, many consumers have known Ochaya as good customer relation with friendly welcome and polite greeting by employees of each branch.

4.2 Discussion And Finding

Refer to answers of interviewees and observation that this thematic had collected the finding of tacit and explicit knowledge of Ochaya passing people who directly involve in the brand, from the interviewee, Mr. Stanley Yu, the owner of Ochaya, he said knowledge is something that like personal skill because people do the work by accumulating their skills and abilities to integrating with each duty. It have seem that the owner think that personal skill is very important to develop each person to their own working style that relate directly to tacit knowledge management from data analysis about self-learning. Refer to Elizabesth A. Smith, People naturally exchange Tacit Knowledge, through face-to-face contacts, conversations, mentoring, internships, etc., in which these kinds of activities encourage spontaneous, creative conversations among people. Consequently, they are automatically skilled. (Smith, 2001)

From the tacit knowledge that Ochaya already has in working processes, Ochaya is the know-how brand that prefers tea drink and the famous one is pearl tea or bubble tea. They are many tacit existing in how to make pearl jelly that will get good texture and taste that suitable for Thai. Refer to observation with the trainer, Mr. Pisit Paisiri, pearl jelly have to use about an hour to cook. The processes of pearl jelly are start with boiling about 21 minute along with the boiling time a cooker has to open and stirred four times very quickly. If stirred too slow, pearl jerry will unripe and has solid texture when chewing. After boiling, leave pearl jelly in the pot for 28 minute and close electric stove. This process will make pearl jelly soft and toothsome and then baked with natural sugar for 15 minute to make pearl jelly has sweet taste. It is quite different from other cooking procedure of boiling pearl jelly because they tent to use

electronic stove to manage the heat and tactic about how to stir. It's quite complicated to do in the first time if read only manual but it will be easier when doing as a real practice. Moreover, from interviewing Mr. Pisit Paisiri, he said many customers came to train about how to boil tea and pearl tea, but most of them are franchisees that don't interesting much about doing by themselves, so sometime it might confuse when they try to do by themselves.

In term of people management, franchisees have responsibilities to manage operation by themselves, so each branch has no standardize about scope of work that operation have to deal with. It's every important for franchisee to manage employees' capability to continue processes of each procedure such as managing cahiers, managing shop that include how to do drinks and serve to consumers. Sometime, operation has to develop themselves in term of service quality and service mind. For example, if operation has to communicate with foreigners consumers, they have to use both verbal and posture to communicate. Moreover, they also remember about loyal customers who often come to shop and ask them that they need the same menus or present new menus to them. It is presenting service mind and creating good relationship with customers. For the people development, good operation, that alone with knowledge creation, it's seemed to involve in three factors to manage knowledge in each person such as information, capacity, and attitude. The information has to be something that available and open to all employees equally and then the capacity is how people can use data or information to manage the wisdom to develop further business advantage. The last is attitude is something that lead people to act or think in different way to attach their ability to learn. (Beijerse, 2000)

From the explicit that Ochaya already has in everyday operation that about data collection format, inventory management form, ordering form, training manual, and contract form for franchisees. All formats that ochaya already provide to franchisees are likely only data collection from each branch and basic requirement that Ochaya need from franchisees, but actually they didn't give any feedback or exchange any information to franchisees. As franchisees need usefully feedback to develop their processes and further marketing promotion to reach their grow rate in particular areas. Mrs. Sirikorn Muangsrisai(Legal Advisor) said that Ochaya has required sale format about how many glasses that franchisees sale per day and which menus to manage

inventory more efficiency. On the other hand, Miss Krittaya Petchsang presented that she feel that Ochaya should use data and information that they have in hand to help franchisees make promotion or discussion about direction of future development menu or strategic.

Refer to the Salaya branch, this area is around university, Mahidol Uniniversity, and many high schools, so Miss Krittaya said that her target is students who walk and live around there. The promotion that has to use must reflect to student intention. She didn't have any promotion advice from Ochaya, so she offered the promotion buy 2 get 1 free and presented to marketing and strategy department of Ochaya, after that Ochaya responded to agree with her promotion without any feedback. As a result, the promotion is also knowledge creation that franchisees have to handle by themselves.

4.3 Recommendation and Suggestion

From data that this thematic had collected, the recommendation that would like to present by my mention about the knowledge that can convert between franchisor and franchisees to develop gap of knowledge creation. According to the (Nonaka, The Knowledge Creation Company, 2007), the knowledge creation can happen in any organizations including franchise businesses. Moreover, people have own different skills and attitude of tacit and explicit. They can apply themselves to the better processes of work and problem solution in different way based on their existing knowledge. From the case of Ochaya, knowledge creation that will be efficiency for this business has to involve with information, capability, and attitude as Ochaya still lose some cooperation between employees and franchisees. In the theory of knowledge creation that this thematic pay attention is about Tacit and explicit, Ochaya still has little convert and exchange on tactic knowledge to franchisees, and most of them is about knowhow and know-what of tea beverage. Actually, Ochaya still remind as the medium side of business the way to convert tacit is also very low amount their operation. Ochaya has opportunity to develop their tacit and explicit knowledge in many ways by the size of organization. The direction of the knowledge creation that Ochaya should develop is learning path within the organization by the job training and

self-learning. Furthermore, Ochaya can convert their knowledge to franchisees by building up coaching and on the job training to each branch because it can create trust and good atmosphere between franchisees and franchisor.

Mention from The Role of Tacit and Explicit Knowledge in the Workplace (Smith, 2001) about competitive advantage to compete with competeitor, if Ochaya can use their people abilities and skill to asset tacit and explicit knowledge to deal with knowledge gaps between frachisees and franchisors, it will create competitive advantage in term of organization development. As Ochaya don't have responed from data collection that franchisees have to report about revernue and ordering material that will manage warehouse flexibility of raw material in each branch, so franchisees have to face with unpredictable proper material and sometime Ochaya also cannot send proper number of raw material due to wanting on inventory.

Refer to Miss Krittaya Petchsang (franchisee of Salaya brance) and two operations, Mr. Sangurthai and Mr. Jarakra nuinprajun, the conclusion of their opinions are about how Ochaya allows their people and franchisees to adapt and use tacit and explicit knowledge and distribute to each other as knowledge sharing between two parties because the knowledge can convert to wisdom of the organization to be basic tool for all to develop their own personal intelligent. For example, operations in the shop will feel more comfortable and secure when they have trained before real work situation, so allow them to ask further information and empowerment to them on decision making. It can lead and support them to generate new ideas to develop working processes.

CHAPTER V
CONCLUSION

This chapter presents the summary of the main point of this thematic. Including, the limitations of the thematic and suggestion for further research that will be advantage to other studies of knowledge Creation.

Based on all chapters of the thematic; the tacit knowledge management approaches are quite different emphases and practices, but as many advantages through both of tacit and explicit knowledge management approaches can be used to help offset and balance the disadvantage of each other. The study showed that it will increase competitive advantage for franchise businesses to combine and balance of knowledge, tacit and explicit, can adapt to develop strategic, operate infrastructure, and processes of franchise. Moreover, knowledge creation can help organizations develop their people ability and skill as there are exchanging and sharing knowledge between people in organizations. The strategic term will more understanding and recognizing where tacit and explicit knowledge lay on each department or work process. Refer to the case of the franchisee, when she has learned about work processes in the shop, she can provide system to support her working environment. For example, she created cashier system to manage accountability of sale. Knowledge Creation also helps franchise businesses with better work environment and creates good relationship along with franchisees that lead to increase loyalty of brand and cooperation between good companies will reach franchise businesses succession in the long term.

5.1 Limitation

As the thematic processes that need to find the answers of the case study belonging with the research methodology that require several methods to gain data and

information such as interview and observation, there are some problems that occur in the processes as following;

5.1.1 The limited time line

The time of reseach is quite so short because this thematic paper has to finish with in seven weeks before presenting date to the committees. Therefore, the period of interviewing and observation had to be finish only for two weeks that created obstacle of time to interview and how to manage the date of the research interview that linked with limited on member of Interviewees as it's hard to arrange the meeting for some of them, but the plan had to change because some of them could not make the interview.

5.1.2 The score of market is still small

This thematic paper is only for in the country content of franchise business that will not impact much about the global content of business. Moreover, this thematic only used one case study of franchise, Ochaya that will be small function and category of franchise in Thailand, so it will not sufficiency to varieties of business case studies.

The knowledge of the interviewer is quite difficult to understand all about content of the whole knowledge management.

5.2 Further Research

As the purpose of the thematic is learning about knowledge creation of the franchise business that separated only two side, tacit and explicit knowledge, and find the gaps between franchisor and franchisees. The future research could gather data from all level in organization and respondents in order to obtain systematic and meaningful outcome and standardize the research analysis and finding. The future research would be study more about SEIC role of knowledge creation to sharing within organization and external, franchisees to research more about core value, objectives, culture and characteristic of branches in difference areas.

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