



# Innovation-Driven Entrepreneurship Thailand Initiative

## Executive Summary



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## IDE Thailand Vision

*“To be an urban & open innovation community in Thailand, Bangkok strives to strengthen IDEs through creating customized accelerator platforms, extending stakeholder’s involvement, enhancing both entrepreneurial & innovation capacity, and reforming entrepreneurship education, which will positively impact a number of new ventures and increase IDEs.”*

## Why Innovation-Driven Entrepreneurship in Thailand

For over decades, both the government and private sectors have given extensive help and support to Thai entrepreneurs, attempting to boost economic growth. Yet, the Thai economy has still not been able to escape the middle-income trap, and has relied heavily on foreign direct investment and foreign technologies. Although the number of established ventures has increased, many of the ventures are small and medium enterprises generating small incremental economic value with limited growth from limited resources. Recently, there have been several changes in the competitive landscape, for instance, we see the collapse of large corporations such as Kodak and Nokia, while new players have emerged and disrupted existing industries through innovative business model with new resources such as Uber and Airbnb.

Our Bangkok REAP Team has acknowledged this phenomenon and has attempted to find new solutions to tackle this problem. It is imperative that we seek a new framework to develop and sustain Thailand’s economic prosperity. Thus, we have embraced the IDE Framework, introducing this framework via the Thai Chamber of Commerce and related stakeholders, especially the government visionaries and key influencers.

## What Do We Learn from MIT REAP

Joining Cohort 3, along with seven other REAP teams across the globe, including Team Almadinah, Team Ashdod, Team Beijing, Team Norway, Team Santiago, Team Tokyo and Team Wales, has given us a unique shared learning opportunity. For over two years in the REAP program, we have not only captured the knowledge and concepts entailed, but have also applied them to our region. The followings are the key topics that we have learned from MIT REAP:

- New Breed of Entrepreneurship called Innovation-Driven Entrepreneurship (IDE)
- The Difference Between SME and IDE
- IDE Ecosystem
- Engaging Stakeholders and the Importance of Stakeholders
- Assessing System Both Innovation and Entrepreneurial Capacity
- Strategic Intervention via Must Win Battle
- Understand the Cluster and Comparative Advantage in the Region

## Building the IDE Ecosystem

MIT REAP has proposed the **3S Framework** as a tool to build the IDE ecosystem. 3S comprises of stakeholders, system, and strategy.

### Stakeholders



- Consist of five stakeholders, including Government, Corporate, Risk Capital, University, and Entrepreneurs.
- With a designated champion from each stakeholder to engage and connect with other stakeholders.
- Aim to create awareness of IDE among the stakeholders' communities

- Assess Innovation and Entrepreneurial Capacity
- Identify clusters based on comparative advantage
- Matching Innovation Capability (I-Cap) and Entrepreneurial Capacity (E-Cap) to create economic impact and social progress



### Strategy



- Create catalytic intervention via prize and competitions
- Develop IDE coaches and mentors
- Launch an accelerator program
- Provide space and facility

## Our Initiative to Drive IDE in Thailand

We're building Thailand's only Innovation-Driven Entrepreneurship (IDE) ecosystem. To do so, we established the IDE Center and set up a steering committee to drive IDE initiatives, following the MIT REAP 3S Framework.

### Stakeholders:

- Assess stakeholder's landscape
- Develop the stakeholder's engagement plan
- Create awareness of the importance of IDE to each stakeholder
- Reach out to the visionaries in each stakeholder group
- Establish and expand the IDE stakeholder network

## System:

- Identify the comparative advantage cluster, such as Agriculture & Food and Tourism and Service.
- Launch survey in 2016 and 2017 to evaluate I-Cap and E-Cap
- Investigate the readiness for the IDE Ecosystem of each stakeholder in Startup Thailand 2016
- Develop the Thai Entrepreneurial Quality Index

## Strategy:

- Establish the IDE Center to drive strategic action
- Partner with MIT Enterprise Forum to develop twenty IDE Coaches in Thailand
- Launch a four-month long IDE Accelerator Program, applying the 24 Steps of Disciplined Entrepreneurship Framework.
- Launch the IDE Thailand 2017 event, including two top international prized competitions and the “Think Big Act Small” Symposium
- Introduce “Rice Hackathon” as the Must Win Battle

Since 2015, we have engaged visionaries and have created awareness among the five groups of key stakeholders. The IDE Center has gratefully received resources and supports from several stakeholders to launch the IDE Thailand 2017 and the Must Win Battles. From our data collections and surveys, we understand that Thailand’s E-Cap is at a high level, while its I-Cap level is low. We have engaged several government agencies in relation to science, innovation, and technology to counter this problem. Our IDE initiatives have progressed and have moved step-by-step along the 3S Framework, continuously building up Thailand’s IDE ecosystem.

## **Bangkok REAP Team’s Must Win Battle “RICE HACKATHON”**

Although Thailand has 14 million rice farmers, ranking in the world’s top three rice exporter, Thai rice farmers are among the poorest in Asia (with an average income of 800 US dollars per year or 2.20 US dollars per day in 2015) due to high production cost with low value added. The Thailand REAP Team decides to launch the Rice Hackathon as part of our Must-Win Battle not only to tackle the challenges faced by the rice farmers, but also to develop and improve the whole rice value chain.

### **Rice Hackathon Goals**

- Explore the problems faced by rice stakeholders
- Search for Ideas & Solutions derived from the rice stakeholders themselves
- Building communities to solve the problem
- Exchange knowledge among different stakeholders

## Our Backbone Organization:

Given the University's neutral position, the University of the Thai Chamber of Commerce has established the IDE steering committee, and set up the IDE center as a working body. We have extended our working team, namely the IDE coaches to launch and implement IDE related activities. The IDE coaches are recruited from several stakeholders, including corporates, universities, government, risk capitals, and entrepreneurs. We have also recruited young generation staffs from the National Science Technology and Innovation Policy Office (STI), under the Ministry of Science and Technology, called the STI Fellows. This working team serves as a crucial mechanism to drive the Must Win Battle into action.

## Must Win Battle (MWB) Approach

The MWB is initiated in three steps to ensure that we understand the Hackathon methodology.

### Preparation (Internal)

#### *Phase 1: Nature of Exploration*

- Date & Venue: April 21 @ IDE Center, UTCC
- Participant 20 persons from across stakeholders (working team)
- Understand "Explore don't defend" mindset before launching the event
- Create experience to talk to the people that you don't know them

#### *Phase 2: Hackathon Pilot*

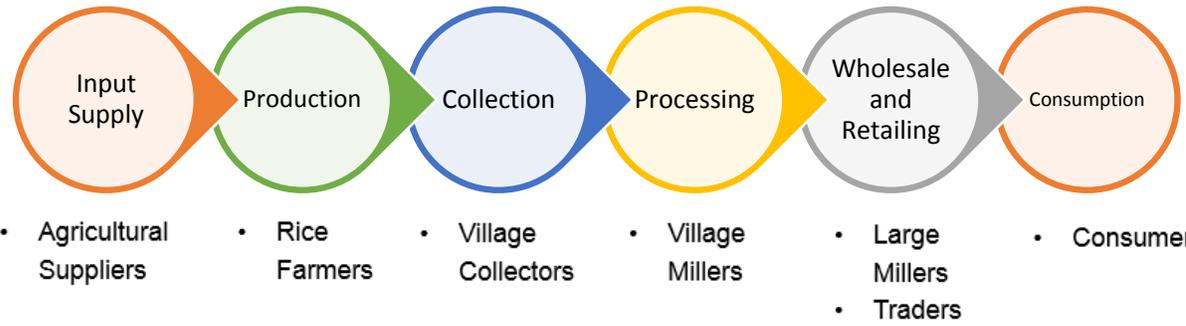
- Date & Venue: May 8 @ IDE Center, UTCC
- Participant 20 persons from across stakeholders (working team)
- Understand the Hackathon and layout idea plan before launching the event.
- Share the knowledge Rice Value Chain and plan the themes activities for generating idea

### Launch and event (External and different stakeholders)

#### *Phase 3: RICE Hackathon @ Srisaket*

- Date & Venue: May 13-14 @ Raithong Organic Farm, Srisaket
- Participants from Rice Value Chain (Approx 50 ppls)
  - Bangkok REAP action team (7 ppls)
  - Head of Farmers and Farmers (30 ppls)
  - Government Officers (12 ppls):
    - District-Chief Officer
    - District Commercial Officer
    - Agricultural District
    - Village Chief
    - District Administration Organization Officer



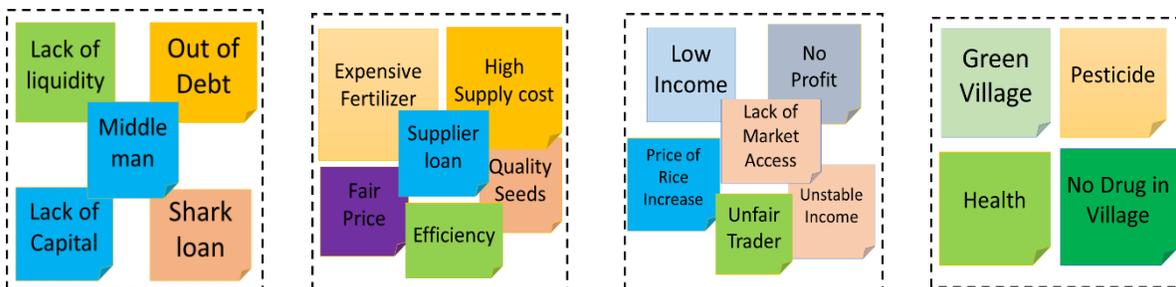


- Talk to farmers and other rice stakeholders in the village
- Facilitate idea generation process in order to counter the problem (within Rice Stakeholders).

The Rice Hackathon may not follow the same procedure of an IT Hackathon, where many programmers are gathered together to hack a problem with new solutions in limited time. This is because the rice problem in Thailand is a complex problem involving many stakeholders. Thus, conducting the Rice Hackathon requires a different approach, where the problems and solutions need to emerge directly from the rice farmers' community and other rice stakeholders. From our one-day MWB of Rice Hackathon, we have derived the following outcomes:



- Four themes related to the problem have emerged, namely financial capital, supply cost & quality, new market and access, and quality of life.

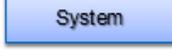


- Each team attempted to understand the problem and explore the opportunities to solve the problem via the Opportunity Canvas tool.

- Several solutions were proposed, for instance, the Organic cluster in the village mixes different kinds of organic rice, proposing several online platforms to reduce the influence of the middle man, and so on.
- Shared knowledge on rice and the problems to solve from within stakeholders, which in turn, helped build up the community to confront the problem together.

## Our Way Forward

Although we have yet to create Innovation-Driven Entrepreneurs for Thai Economic Growth, we believe that building on to our IDE ecosystem will eventually generate IDE Enterprises. To achieve this, we aim to share the knowledge and framework that we have gained from MIT REAP in broader circles. Our way forward consists of 3 phases as follow:

 Stakeholders	<b>Phase 1: Linkage</b> Year 2015-2016	<b>Phase 2: Leverage</b> Year 2017	<b>Phase 3: Localize</b> Year 2018
 System	 University <ul style="list-style-type: none"> <li>- Assess I-Cap &amp; E-Cap</li> <li>- Identify Cluster Based Comparative Advantage</li> </ul>	 <ul style="list-style-type: none"> <li>- Matching I-Cap &amp; E-Cap</li> <li>- Solve the Weak-Cap</li> <li>- Focused on the Cluster</li> </ul>	 <ul style="list-style-type: none"> <li>- I-Cap &amp; E-Cap in provincial part</li> <li>- Provincial Clusters</li> </ul>
 Strategy	<b>Catalytic Intervention</b> <ul style="list-style-type: none"> <li> Accelerator</li> <li> Space</li> <li> Commercialization Programs</li> <li> Competitions</li> </ul>	<b>Integrate all Catalysts</b> 	 <ul style="list-style-type: none"> <li>- Role Models</li> <li>- Expand the Intervention in Provincial level &amp; clusters</li> <li>- Start-up Cluster Space</li> </ul>

With our three phases: linkage, leverage, and localize, the Thailand REAP Team will continuously strive to build an IDE Ecosystem across the region. Not only do we plan to embrace and implement the 3S MIT REAP Framework, but we also plan to promote the creation of IDE via the 24 Steps of Disciplined Entrepreneurship. Given that the IDE Center plays a critical role in IDE activities, the IDE center team have also initiated the institution of a key message to embed the IDE mindset among those in the community. The IDE Center's Motto is "See Different, Think Big, Act Small", reflecting both step 0 and the 24 Steps of Disciplined Entrepreneurship. Lastly, our REAP team will eventually join the MIT REAP Alum to exchange experiences and pave way for the next phase of collaboration among the MIT REAP alumni.