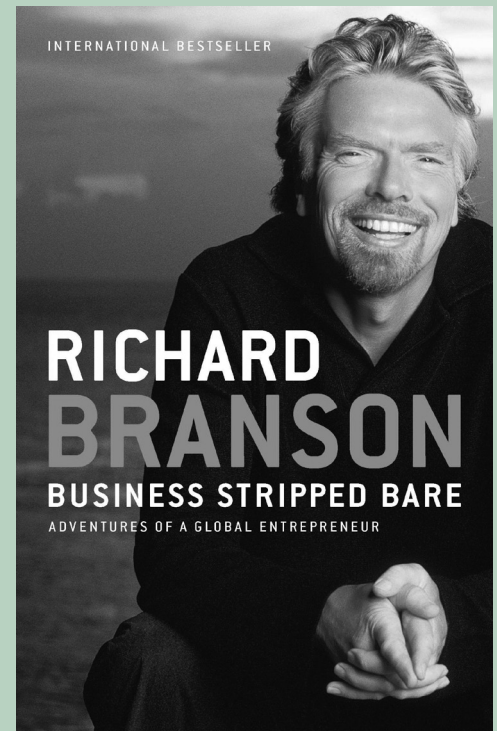


# Book Review:

## Thailand 4.0 and the Built Environment: Lessons from a Global Entrepreneur

**Branson, R. (2009). Business stripped bare adventures of a global entrepreneur. London: Virgin Books. 384 pp.**

Thailand has currently been at the most crucial point in the recent history. Since taking control the country's administration in May 2014, the military regime have been introducing reforms in various aspects including a new direction of development known as Thailand 4.0. Historically a traditional agriculture society, a long list of social and economic development plans adopting since early 1960s put Thailand in the middle income trap with inequality and imbalanced growth. Thailand needs to move away from heavy industries that consume so much resource, energy and quickly deteriorate the environment. Moreover, export promotion and inward foreign direct investment has long been proved as a volatile development approach and therefore far from sustainability. The latest development direction aims to establish a value-based economy that focuses on innovation in commodities, technology, creative industry and services sectors (Maesincee, 2016).



Innovation is the successful exploitation of ideas to fulfil unusual needs or to get new answers for the changing market and technology (Bennett, 2000; as cited in Egbu & Robinson, 2005). However, innovation development is a time consuming process. Fast changing environmental factors such as the economic conditions are likely to make the presently new processes, products or technologies quickly obsolete. In order to consistently create fresh and up-to-date innovation in the long term, market-based innovation has to be balanced by innovation created from the resource-based strategy. In this case, the focus of innovation has to be shifted from the contributions from fully integrated team members at one time to continuously produce new knowledge innovative capacity beyond one product life cycle (Train & Egbu, 2006).

In the construction project development context, innovation can be seen beyond the primary response to users' functional requirements. It is also a pre-requisite for competitive advantage (Egbu, 2004). Additional value such as environmental concern, building quality and social justice (Elkington, 1998; as cited in Abbott, Jeong & Allen, 2006) can be perceived as innovation that fully satisfies clients. In commercial project developments, innovation can provide competitive advantage in terms of cost and differentiation and eventually makes profitable investments. In order to initiate innovation in the built environment, it has to be built upon the unique fragmented structure of a project development team.

According to a construction industry survey conducted by the National Statistical Office in 2014, the majority of construction establishments in Thailand were SMEs. There were 21,973 or 66.5 per cent of 33,057 construction establishments that employed 1-5 persons. It was followed by 6,495 or 19.6 percent of total participating construction establishments that employed 6-10 persons. For those SMEs to be more competitive, they might have to focus on *differentiation*, suggested by Porter (1985), as the main strategy instead of the usual cost leadership that generally relies on low wages paid to unskilled labour that now is not the most promising direction of development. Thailand competitive advantage has to be rebuilt on skills and knowledge in technology as well as business administration and management. Traditional roles of specialists in the built environment team have to be progressively evolved to incorporate entrepreneurship as seen in Richard Branson's inspiring book: *Business Stripped Bare*.

According to Branson, entrepreneurship is a distinctive personal quality by turning ideas into capital that would create revenue and tax that move the economy forward. Once the mission is completed, those entrepreneurs prefer to move on to materialise another idea and leave managerial tasks to competent managers. The outcomes can be seen from Branson's Virgin group extensive business operations. Starting from 1970 as a mail order music retailer, Virgin business empire has been extending to include more than 400 companies to enhance customers' experiences and value of money in a number of distinctive ventures in various continents from financial service to telecommunication from health and fitness to airlines as well as space tour. Virgin's business initiation process is theoretically based on linear multi-stage research operation that starts from the conclusive identification and analysis of problems in particular area. The proposed theories and hypotheses as well as the relevant factors such as existing knowledge, ideas and purposes have to be implemented, tested and refined in the real context. However, there is also a non-linear approach based on Branson's own "gut feeling" to achieve the ideal creations. As a charismatic leader with invaluable business experiences, Branson also employs his own charm and distinctive characters to encourage Virgin staff to complete their tasks without fear of failure. At the same time, the public is always drawn to his widely recognised publicity stunts like jumping off the roof of a hotel in Las Vegas to celebrate the first flight of Virgin America in 2007.

Once set up, each company has its own independent mission and management structure. Therefore, highly efficient workforce who knows all aspects of business operation and technical knowledge inside out has to be recruited. Good communication and attention to details are two crucial acts to effectively deliver the good value of business and services with fun that Virgin brand promises to customers. Each Virgin company is a self-contained entity that helps the group as a whole to avoid risks from either mistakes in decision making or setbacks caused by the unsupportive economic conditions. Each business model is always designed to survive the toughest situations in order to succeed. In case that a drastic action to find the way out is needed for the ailing business, it has to be conceived by the team with the maximum effort. On the other hand, pushing the business forward can be achieved through innovation as the result from the continuing research and development that fully integrated with the core values of the company. At the same time, innovation can be employed to perform the company's

social responsibility. In Virgin's case, it is the search for new energy sources like ethanol from agricultural produces or biodiesel from coconut oil to support Virgin's sustainable transportation businesses such as train services in the UK as well as domestic and intercontinental airlines. Moreover, Branson also believes that creative capitalism can be beneficial to the society. Some of the firms' business profits can be reinvested or distributed to support other projects through Virgin Unite, a subsidiary company to manage the not-for-profit missions.

Lessons learnt from leading cases of entrepreneurship can hopefully initiate changes at different levels. Subtle changes can be initially made to create step by step *incremental innovations* based on the existing process (Clark and Staunton, 1989; as cited in Abbott, Jeong & Allen, 2006). The more radical improvements can be seen in three different stages. A rather limited change at the operational level generally known as altering innovation can be the first stage. Generic and epochal innovations are the second and the third stages with larger scopes of change that would create a new significant paradigm to differentiate Thai SMEs in the built environment from competitors.

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