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A New Food Business Model for the Small Food Firms

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Abstract

This research aims to explore and investigate the empirical core elements essential to constructing a new comprehensive business model for small food firms. Grounded theory was adopted as a principle investigation tool to formulate the theory. A content analysis technique was used to determine the presence of and acquire insight into the beliefs that underlie the assertions. This study discovered six essential components that formed small food firms' business models. These six components in the new business model consist of innovation, value proposition, value delivery, revenue model, compelling strategy, and performance improvement. A component change affects all the others in the model as a whole. The new food business model can be a reliable engine for the growth of a small food firm. It helps small food firms better organize their resources while providing a systematic direction for revenue generation. Small food firms can apply the new food business model as a tool to assess the expansion and growth of the food business. This study complementarity extends the contribution to the literature on the business model and food entrepreneur aspects in a selected segment.

Keywords: *Business Model, Innovation, Value proposition, Value Delivery, Food business.*

1. Introduction

The use of the business model in conducting business has shown to be increasingly important among business organizations and entrepreneurs (Zott, Amit, and Massa, 2011). Stampfl (2014) indicates that change in the 21st century has remarkably influenced the way of living, behavior, attitude, social interaction, and daily experience. People change results in shifting the thinking paradigm and changing the social norm. The traditional business practices that have long been operated are replaced by new business paradigms such as a new business model, e-commerce, platforms, and crowdfunding. These changes are exceptionally in[1]creasing the level of consumer sophistication. A business must be bold in adapting to this change to continue its operation. The business failure of large-scale firms fields many records. Not only do large-scale businesses suffer from environmental changes, but small-scale firms have also been affected by this phenomenon. Thailand's food industry is considered one of the key drivers in the country's economic growth.

The Office of SME Promotion (OSMEP) reported that approximately 320,477 food stores were operated in Thailand in 2022. These food businesses are hiring nearly one million jobs. The food industry contributed around 23.0% of the country’s GDP, with an annual growth of 5 percent in 2023, which declined from 8 to 10% before the outbreak of the COVID-19 pandemic in 2019. The total value of Thailand's domestic food business was estimated to be 11.9 Billion USD. (OSMEP, 2023). The food industry is decisive to Thailand's economy because it is extensively related to other sectors in its supply chains, such as the tourism, accommodation, aviation, retail, and services industries — nearly 99 percent of the food businesses are run by small firms.

Hence, small food firms are imperative in Thailand's GDP vitality development. The Office of SME Promotion is assisting Thai food SMEs to acquire an effective food business model

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to promote their products and services.

2. Literature Review

2.1 Business Model

Scholars broadly agree that the business model is central to business activities, which can induce success (Peters, Blohm, & Leimeister, 2015). Even though the study of business model innovation has been extensively increasing during the past years (Foss & Saebi, 2018), exploring a business model in the food industry, especially for a small firm, is quite rare. The most mentioned topics regarding foods in Thailand are food production, food trade, food services (Chittithaworn, Islam, Keawchana, & Muhd Yusuf, 2011), and food manufacturing (Bàkiewicz, 2005). The empirical setting of the food business model has been repeatedly mentioned among Thai scholars, administrations, and entrepreneurs, but there is no conspicuous evidence in the Thai academic sphere. Zott and Amit (2009) suggested that a firm can grow by avoiding the old-fashioned cost-cutting method by finding a business model to optimize available firm resources. The terms of the business model have been coined into different forms and meanings depending upon the objectives of using it (Ghaziani & Ventresca, 2005). Academics have defined the business model in various meanings (Foss & Saebi, 2018). Gambardella and McGahan (2010) construed the business model as an approach to generating revenue for the organization. Bocken, Short, Rana, and Evans (2014) perceived the business model as a tool to aid the firm in better understanding how the firm will pursue the business by creating competitive advantages. Meanwhile, Teece (2010) described a business model as the company's tools to respond to those customers' needs and wants. C. Zott et al. (2011) viewed that the business model could be used to create and capture values that finally deliver valuable customer benefits. Teece (2007) supported that the crucial element of the firm is the ability to develop a good revenue stream design. Osterwalder, Pigneur, and Tucci (2005) proposed a business model as a tool that organizes business-thinking concepts related to achieving the company's objectives. Even though scholars have given various meanings, the business model still gains little interest among scholars (Morris, Schindehutte, & Allen, 2005). Many business model concepts have been portrayed in conceptualized ideas (Malone et al., 2006) but lack practical implementation. Magretta (2002b) supported that business models have been developed over a long period. Still, it lacks concrete proper concepts, and many vital challenges are left to be explored (Berglund & Sandström, 2013).

The literature shows that the business model is criticized for being vague and lacking its terminology unity (Nenonen & Storbacka, 2010). The given definitions of business models depend on the disciplines each scholar has been engaged in. Otherwise, some commonalities exist between concepts, values, processes, competitive advantages, revenue-generating, and business direction. While new entrant firms are looking for a new business model, the existing firms have to revise their business model to encounter the incoming market threats. (Sosna et al., 2010).

Authors, (Year)	Business Model Definition
Baden-Fuller and Haefliger (2013)	"The business model as a system that solves the problem of identifying who is (or are) the customer(s), engaging with their needs, delivering satisfaction, and monetizing the value."
Zott and Amit (2013)	"We have argued that business models can create value through efficiency (anchored in transaction costs economics), novelty (through Schumpeterian innovation), complementarities (anchored in resource-based theory), and lock-in (inherent in strategic networks)."
Girotra and Netessine (2014)	"Business model is essentially a set of key decisions that collectively determine how a business earns its revenue, incurs its costs, and manages its risks."
Casadesus-Masanell and Heilbron (2015)	"Business model, a collection of decisions enforced by the firm's authority on its employees. There are two aspects of a business model - the internal constitution of the firm and the firm's external alignment - and these result from the different degrees of authority a firm has over its employees as opposed to other market actors."
Peters et al. (2015)	"A business model presents a company's core business activities, and its economic success consequently depends on an appropriate business model."
Zott and Amit (2017)	"Business model is the new source of innovation. Business model innovation is a complete reconfiguration of how a company does business."
Foss and Saebi (2018)	"Business model has been referred to as a statement, a description, a representation, an architecture, a structural template, a framework, a pattern, and a set."

Firms are vulnerable to the risk of failure when they keep themselves restricted to the ever-changing business model (Doz & Kosonen, 2010). Data from the U.S. Small Business Administration in 2017 indicated that an average of 78.5 percent of a new small business establishment could survive within one year. However, only half of them can survive for five years or longer. Thus, if firms want to survive or grow, they must develop a new or improved viable business model that fits the environmental changes (McGrath, 2010; Stampfl, 2015). Our literature showed that the business model is vital to small firms, but what should the business model constitute the small food business?

2.2 Business Model Constellations

Scholars' ideas of constructing a business model present little idea of what and how many components will best fit the business model (Pfeifer et al., 2017). Still, it is connected to the value concept (Yang, Evans, Vladimirova, and Rana, 2017). A firm that can determine the proper benefits of value will create competitive advantages for the business (Waghmare & Golhar, 2017). The newly constructed business model emphasizes the congruity of relationships among the elements in the framework to create a good balance between economic value and the ability of a firm to pursue business (Hacklin et al., 2018). The congruency of associations is undeniable in the business model, but the constellation needs to be revised in constructing a model. Morris (2009) noticed that the three most critical market factors are accelerating change, increasing complexity, and increasing competition, creating a "Change Conspiracy" in the market environment. Yang et al. (2017) asserted that the business model's sustainability has been measured through the value proposition, value capture, and value creation and delivery. Amit and Zott (2010) delineated that a business model as an activities system consists of an activity's content, structure, and governance.

A firm can explore new capabilities by using open innovation and the constellation that will help a firm be equipped with that higher capability of value proposition, market segment, value chain, cost/structure and profit potential, value network, and competitive strategy (Chesbrough, 2010). Osterwalder et al. (2005) enumerated the business model into two arrays: taxonomy and conceptual model. Osterwalder (2004) proposed a business model canvas and determined nine essential elements: customer segments, value propositions, channels, customer relationships, revenue streams, key resources, key activities, key partners, and cost structure. The nine elements presented in Osterwalder's business model canvas are trying to blueprint the questions of "what" a firm should do, of "why" a firm has to do, of "who" a firm should respond, and of "how" firm will do it (Pfeifer et al., 2017). The business model canvas represents the recombination of patterns (Gassmann, Frankenberger, & Csik, 2014) of the interdependent activities created by the firm to deliver value to the customer (Zott & Amit, 2008). Demil and Lecocq (2010) portrayed the business model structure as a dynamic process consisting of three components: resources and competencies, internal and external organizational structure, and value propositions called the "RCOV" framework. Demil and Lecocq believed that the interactions within and between the three components could encourage firms to discover new choices for a value proposition.

In contrast to an RCOV framework, Baden-Fuller & Morgan (2010) argued that the firm should have studied the logical model from the external epistemology in different fields, such as biology and economics, then adopted and assimilated knowledge to construct a new owned business model. Innovation and invention share a common ground of "Newness" (Şener, Hacıoğlu, & Akdemir, 2017). The invention involves creating new things, but the invention is not an innovation (Myers & Marquis, 1969)—invention is associated with turning newness into practical products or services. An invention alone cannot fulfill the gross meaning of innovation. Smith (2010) depicted innovation as forming an invention that can be commercialized and benefit from widening users. Wallace (2017) characterized innovation as "a complex process, encompassing everything from basic research activity to new working practices or even more attractive packaging. Drucker (2014) viewed innovation as a tool of an entrepreneur, capturing the opportunity, making sense of doing things in a new way, and bringing new learning into a workable format. Knight (1966) presented four major types of innovations: product or services, production-process, organization structure, and people innovations. Knight perceived that all types of innovations are highly interrelated; a change of one element creates a magnitude of uncertain changes to the rest. If Knight's assumption is correct, it may be difficult to predict future firm performance as it is presumably involved in many factors. Dewar and Dutton (1986) argued that a firm would have affected two types of innovation: radical and incremental. The differences in innovations magnitude are determined by new knowledge firms absorbed. Radical innovation obsessed a high degree of revolution in fundamental technology changes.

In contrast, incremental innovation is less in a degree of change, which can be seen as product improvement or adjustment to the existing technology. Works of Knight and Dewar & Dutton view innovation in pairwise perspectives, in which one is related to another but does not obviously show innovation's economic value. Francis and Bessant (2005) had a different way of categorizing innovations. They proposed the 4 P's of innovation as products, processes, positioning, and paradigm innovations. These four have impacted the firm's performance in quality improvement, cost reduction, new product initiatives, and new sales and financing methods. Smith (2010) noted that a firm could put the invention into practice by employing the "Business Model" as a key mechanism to commercialize ideas. Tidd and Bessant (2014) reported that product innovation had a strong correlation with a firm's market performance (Verhees & Meulenberg, 2004) in the areas of market share, sales growth (Han, Kim, & Srivastava, 1998; Zahra & Covin, 1994), and profitability (Drucker, 2014).

A business model can be seen as a new dimension of innovation (Massa & Tucci, 2013) powered to revolutionize or disrupt the industry (Christensen, 2013). A firm with innovation can have an advantage over a firm with no innovation in a period of turbulent time (Jiménez-Jiménez & Sanz-Valle, 2011).

Authors, (Year)	Type of Innovation
Schumpeter and Opie (1934)	New product, new quality product, new source of supply, new organization
Knight (1966)	Product or services, production-process, organization-structure, and people
Dewar and Dutton (1986)	Radical and incremental innovations
Damanpour (1996)	Administrative innovation and technical innovation
Cooper (1998)	Product-process, administrative-technical, radical-incremental innovation
Francis and Bessant (2005)	Products, processes, positioning, and paradigm innovations.
Smith (2010)	Product, service, process, business model innovation
Pisano (2015)	Disruptive, architecture, routine, radical innovation
Satell (2017)	Breakthrough, sustaining, disruptive innovation, and basic research

2.3 Values

Our literature found that new value firms need a vehicle to carry ideas into practice (Osterwalder et al., 2005; Teece, 2010). Value stands in the first row as growth engines that drive the conceptualized value into the usable value to the firm (Foss & Saebi, 2018). Teece (2010) added that whenever a firm uses a business model to create value, the business model should deliver that value to the customers profitably (Chesbrough & Rosenbloom, 2002; Magretta, 2002b). Foss & Saebi (2018) added that the business model is an interconnected system of independent activities. In their view, the business model's elements should display the connections in a certain relationship. Lanning and Michaels (1988) mentioned that the value proposition is the prominence value of the offering through the method of communication. Kotler and Armstrong (2006) argued that the value proposition is the integration of benefits a firm promises to deliver to its customers for satisfaction. Tung, Jai, and Davis Burns (2014) elaborated that value proposition helps to differentiate a firm from its rivals. Safarpour and Sillanpää (2017) viewed value proposition supports firm to dually receive a great return from customers and the company itself.

If the value is critically useful for a firm to build a fundamental root of pursuing business, what will be the vital elements of the value? Chesbrough and Rosenbloom (2002) viewed the value proposition as a technology that can create real customer value. Oliver Gassmann, Frankenberger, and Sauer (2016) argued that content is an essential element in the business model, creating a value proposition for a firm.

The study of Lambert and Davidson (2013) indicated three components needed for a business model: company classification, business performance measurement, and the source of innovation. Hamel and Trudel (2001) postulated that the elements of a business concept and a business model are similar. A business concept comprises four major components: core strategy, strategic resources, customer interface, and value network. The business model components from various scholars are shown in the table below.

Authors, (Year)	Business Model Components
(Viscio and Pasternack, 1996)	Global core, governance, business units, services, and linkages
Hamel and Trudel (2001)	Core strategy, strategic resources, value network, and customer interface
Chesbrough and Rosenbloom (2002)	Value proposition, market segment, value chain, cost structure/profit potential, value network, competitive strategy
Gassman et al. (2004)	Value propositions (what), customer (who), profit mechanism (how), value chain (why)
Amit and Zott (2008,2010)	Content, structure, governance, novelty, complementarities, lock-in, efficiency
Markides and Chu (2008)	Exploitation, exploration, ambidextrous
Casadesus-Masanell and Ricart (2010b)	Competitive imitate, competitive advantage, innovation, copy
Baden-Fuller and Morgan (2010)	Resources, capabilities, products, customers, technologies, markets, replicating, adopting, copying
Demil and Lecocq (2010)	Resources and competencies, organizational structure, value propositions for value delivery
Rayna and Striukova (2016)	Product, service, and pricing offerings
Spieth and Schneider (2016)	Value offering, value creation architecture, and revenue model.
Zhang, Zhao, and Xu (2016)	Enterprise business process, core product, target market, value distribution, value chain structure, information flow.

The literature review from scholars agrees with the concept of value. The essential core elements of the firm are to serve the end-users. However, other customers in the value chain seem to have been neglected or mentioned. Our study of food business model innovation revealed that a firm has to create and provide value to different kinds of customers at different levels. Other customers worth mentioning in this paper are the regulator, distributor, and end consumer. When a firm creates value, it will deliver those values to the end-user, and the firm has to consider delivering value to the regulator and distributor.

In the new food business model, the regulator views it as atop the value proposition pyramid. If the food producer cannot comply with rules and regulations imposed by the regulators, those food products will not be able to present themselves on the store's shelves. The second layer of value proposition lies in the hands of distributors. Tung et al. (2014) asserted that tablet catalog producers must emphasize care to their retailers because retailers are chained to deliver value to the end-users. Without sufficient knowledge and ability to understand and communicate the value, tablet catalog producers may not efficiently sell their products to the consumer. At the ground of the bargain, the proposition pyramid is the customer's perception of the value the sellers offer. Sellers may sell a similar product to the same target group of customers. However, those who can better be offered a robust perceived value of benefits to the customers at the end would be the winners in the customer's buying decision process. To deliver value to the customer, the firm must seek competitive advantages in resources or skills through customer value-creation activities (Ketchen & Hult, 2007; Slater, 1997). Value delivery is the process of value chain activities that move the product from the ground to the hands of consumers.

To be able to sustain the continuity of the new business model, the revenue stream plays an essential part in business practice (Teece, 2010; Timmer, 1998). Revenue is an essential inclusive element when constructing a business model. Casadesus-Masanell and Tarzijan (2012) pointed out that a secured business model has to deal with the diversity of revenue-generated sources to lower the risk of doing business. The antecedents of changing business model components will have a certain impact on the firms' earning revenue. Casadesus-Masenell and Tarzijan (2012) proposed two revenue-based generation types: one-off, pay-per-use, subscription, and advertisement. Van, Parker, and Choudary (2016) added that the platform business models could monetize their revenue into two formations: one-time earnings and recurring earnings through performance-based charge or agency fee charge approaches. Foss and Saebi (2018) argued that the architecture of firm activities related to how a firm can monetize from the offered as it creates linkage among all components of the business model (Bakker, den Hollander, Van Hinte, & Zljlstra, 2014; Casadesus-Masanell & Zhu, 2013). Zott (2017) and Keoane, Corican, and Sheahan (2018) mentioned that the firm's system activities tightly connect with a firm's business sustainability strategy. Keanea et al. (2018) asserted that firms could earn revenue by creating, capturing, and delivering value. The concept of value is interconnected with monetizing value and strategy to earn revenue. The firm needs to structure the organization for a good fitting strategy to formulate its revenue strategy.

3. Methodology

From the literature review, researchers attempted to formulate the food business model for a small food firm and explore to what extent the particular components were constituted to fit into a new food business model by adopting the Grounded theory as a tool to find the answer. Kaur (2016) stated that the "quantitative method is based on numbers to claim objectivity; whereas, the qualitative method generates theories relying on subjectivity." In the beginning, we reviewed the theoretical and empirical studies that involved and related to a business model from various sources: books, governmental archives, trade papers, e-journals, and journals to date to construct the preliminary framework outline.

The qualitative data were collected from the video interviews archived on YouTube between the years 2010 to 2019 at different interval times. The samples that were drawn from the YouTube archive shared certain common characteristics in developing the firm's selection criteria. The criteria determine the fitted attributes of a food company we are interested in making a case study.

1. They are all mid-sized food businesses that sell and process food.
2. None of them are food brokers whose primary function is purchasing food items and intending to resell them.
3. They have all received specific accomplishment awards or have won culinary competitions.
4. During the time that data was being collected, they were all still working in the food industry.

The Grounded theory was applied as a method to analyze interview data. Walker & Myrick (2006) stated that grounded theory is the process of analyzing data and is designed for theory formulation. The information from grounded data analysis statistically investigated the degree of relationships among the components.

3.1 Theory Development

Based on the systematic review of the literature, it is explicitly clear that the existing business models are ambiguous (Saebi & Foss, 2015) and have inadequate antecedent conditions for a small food firm. The outright constellations of the business model in the food industry have not been addressed in the literature. Thus, the counterpart between the business model and its constellation will likely be an imperative antecedent to a small firm's new food business model.

We applied the grounded theory to use qualitative data to formulate the theory. The analysis unit was the sentences transcript from 64 interviews of 11 mid-size food firms video achieved on YouTube. We selected the mid-size food firms as they were small initially, but they were very efficient and continuously experienced growing to become mid-size food firms. The coding procedure begins with “Open Coding.” The opening coding is the process of comprehending the meaning of sentences by breaking the whole conversation into small units and labeling the data. In this stage, we separated 867 sentences from the interview contents. The coded sentences have scrutinized the differences and similarities to investigate the action pattern (Strauss & Corbin, 1994). The related patterns were assigned into the meaningful akin categories in the “Axial Coding” process. Their relatives eventually consolidated the assigned categories into the core categories in the “Selective Coding” process.

3.2 Coding procedures

All sentences were compared and grouped in the coding procedures based on the differences and similarities to investigate the action pattern (Strauss & Corbin, 1994). The open codes were labeled into 17 categories. In the Axial coding process, we anticipate the relationships among subcategories by repeating the scheme of differences and similarities among categories. The related categories will be merged into new labels of the core categories. Corbin & Strauss (1990) stated that Selective Coding is the process by which all categories are consolidated into “core” categories, and they mentioned that “the core category represents the central phenomenon of the study.”

4. Result

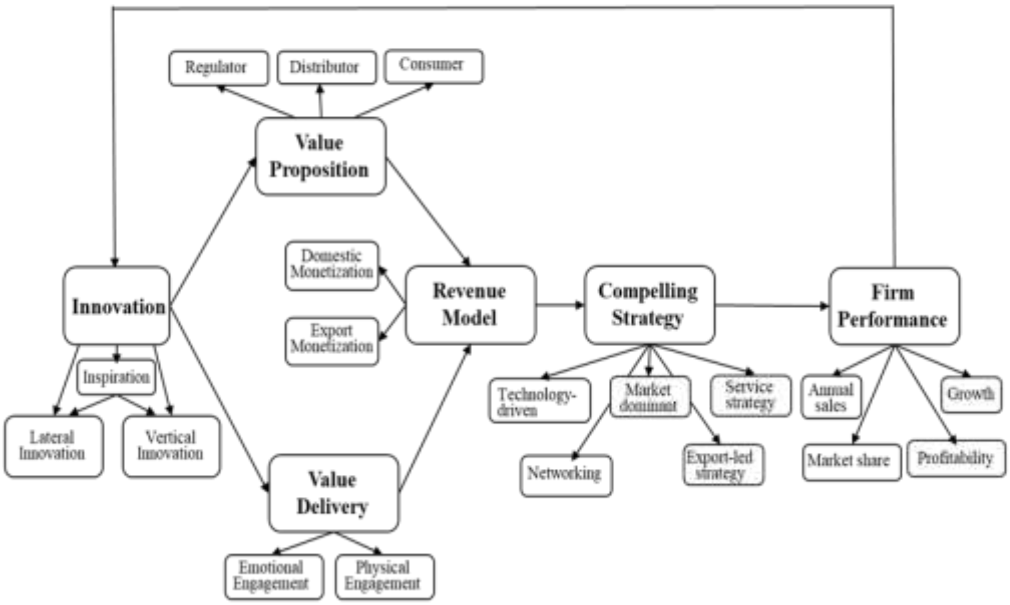
The compiled data enabled us to categorize the primal food business model into six themes. Prior to our commitment to a new food business model for a small food business, we consulted with five experts in different disciplines of food science, Management, strategy,

and technology management to modify and refine the theoretical model. We further examined the data by reviewing content details in each group, redefined, merged, condensed, and reassigned them to ensure that all six components had relevance to the firm’s business sustainability. The extraction of codes from the interviews can be grouped into six categories. Each category is meticulously distributed according to the concerns of the gatekeeper.The six core categories from selective codes represented the business model’s doctrine that a small food firm needs to consider when they want to grow and sustain their food business, which are the innovation, the value proposition, the value delivery, the revenue model, the compelling strategy, and the firm’s performances. These six core categories emerged from unifying the relevance of the categories presented in the coding output.

4.1 Coding Output

Selective Coding (6 cores)	Axial Coding (17 categories)	Open Coding (867 sentences)
Innovation	Lateral Innovation	133
	Vertical Innovation	27
Value Proposition	Regulator	22
	Distributor	41
	Consumer	51
Value Delivery	Emotional Engagement	48
	Physical Engagement	107

Revenue Model	Export Monetization	69
	Domestic Monetization	35
Compelling Strategy	Technology Driven	18
	Export-led Strategy	114
	Market Dominant	11
	Networking	76
	Service Strategy	23
Performance	Annual Sales	11
	Profitability	24
	Growth	18
	Market Share	12



4.2 Constitute of Coding Output

The six core categories from selective coding represented the business model's doctrine that a small food firm needs to consider when growing and sustaining its food business.

1. Innovation is the foundation of this business model. The firm owner's inspiration can be seen as the offspring of the business innovation idea. Our study found that the complication of questions can carry out a different degree of innovation leverage. As the level of challenge to the firm increases, more advanced achievement can be expected at the higher performance of the outcome. The easy-to-achieve question results in the incremental innovation outcome, while the challenging question can deliver superior output performance.

2. The Value Proposition refers to the reciprocal promises of value (Spinuzzi, Altounian, Pogue, Cochran, & Zhu, 2018). The result from the study illustrated that the three echelon entities in the value proposition are a regulator, distributor, and consumer. The regulator refers to the authorities who permit food firms to carry products into the chain of value delivery system. The distributor consists of those who facilitate the flow of goods, services, and information. Consumer engagement with the output is the final frontier of a buy or not-buy decision, and then the value can reach its end benefits in the hands of the ultimate users. A small firm needs to make proper value offerings, which the value attributes can induce demand propositions to satisfy the three entities.

3. Value Delivery is divided into two dimensions: emotional engagement and physical engagement. Emotional engagement deals with intangible properties. These include product benefits, branding, customer relationships, co-creation, and consumer insight. The

affection of emotion is an essential mechanism in driving consumer behavior. On the other hand, physical engagement is the tangible property that consumers can sense of the appearance of the values in the value delivery chain. They include raw material selection, production process, infrastructure, marketing, technology, and human resources.

4. The Revenue Model is the primary source of a firm's income. Revenue provides financial viability to the business. The firm can generate revenue through two core strategy mechanisms: the export and domestic selling mechanisms. The strategy constituted in the export mechanism consists of the income earned from the agents or the brokers, e-commerce, direct export, exhibition or trade fair, and services provided. On the other hand, the domestic selling mechanism generates revenue from being an OEM, earning the franchise fees, profit margins from the wholesalers and the retailers, e-commerce, and revenue from the firm's chain store.

5. The Compelling Strategy is the firm's tool to create and capture the demand for the firm's product in the marketplace. The strategy also involves the scope of a business that a firm wants to pursue. Small food firms use five key strategies to attack the market: technology-driven, export-led, market-dominant, networking, and service strategy.

6. The Performance reflects the firm's capability to accomplish its setting missions. The performance indexes indicate the firm's business sustainability. Blackburn, Hart, and Wainwright (2013) stated that performance strongly shapes the firm's growth and profitability. The performance is shown by the evidence of the firm's annual sales, profitability, growth, and market share.

5. Discussion

The patterns of the business model have been viewed in different aspects by different schools of thought and scholars, but they have one common share foundation in the business: the business model enhances the growth of firms. From the literature review, most erstwhile business models are constructed to be broad and generic in terms of conceptual metaphor.

The presentations of the business model give a direction to a firm to exploit the core competence in the sense of what a firm should have rather than what a firm should do and how to do it. Besides, the erstwhile business models have considerably neglected the size of the firms whose size is relatively connected to the viable firm's resources and the ability to leverage the resources. The One-size-fits-all concept metaphors can create disorientation for small firms as the idea requires a high level of thinking, which is typically a deficit for small business owners. One of the critical drawbacks of any business model is the creation of the "ex post" scenario. It means the firm owners following a particular business model must complete the implementation circle before knowing the result. The new business model for a small food business provides a unique perspective in conducting business. This new business model is exclusively designed for the "ex ante" scenario, the condition that the firms can notice any improper circumstance while running the businesses. The new business model is constructed in the form of a structural metaphor. The structural model provides the firm's core competence concepts of becoming a mid-sized firm and the sub-elements for a firm to engage in business operations in every module. Suppose the firm notices the sign of incompletion achievement in each module. In that case, the firm may slow down or pause and look back to the running operation without waiting until the model loop is completed.

6. Conclusion

Thai small food firms' growth from small-sized to mid-sized food firms remains questionable. OSMEP reports that the obstacles of the Thai SMEs are a deficit of resources for the small food firms, less capacity to assimilate new knowledge of small food firms, the uncertainty of making use of the latest knowledge, less formal R&D process, and lack of scaling management. To raise the business capability of Thai small food firms, they need a tool to aid their ability to create and capture value to react to the new face of demand and the rapidly changing business environment. If the business model can enhance values and benefits to the firm, as reviewed in the literature, what will be a business model for small food firms? What are the essential components that small firms need to grow? To answer these questions, we designed to conduct our research by adopting the Grounded theory as a research tool to reach the answer. We adopt the content analysis technique to explore the question of what the business model for small food firms in Thailand is and what are the components of the business model for small food firms. The results of the study show that six components are relatively associated with the business model for small food firms. Those components are innovation, value proposition, value delivery, revenue model, compelling strategy, and firm performance. Innovation is the adversity to achieve, but innovation looped up from the degree of ambitious questions the firm set. The harder the goal to attain, the higher the degree of innovation emerged. Value proposition acts as a gateway to the market while the Value delivery system bridges the vendor offers to the buyer obligations of either emotional or physical engagement. The Revenue model plays a crucial part in the food firm ecosystem, as it is an engine to mobilize the firm business. The company employed a compelling strategy to generate and seize the market demand for its goods. Finally, Firm performance acts as an indicator of the firm's achievement and the ability to manage the business.

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