

# BUSINESS MODEL ACADEMIC-COMMUNITY RELATIONSHIP THROUGH ENTREPRENEUR ACTIVITIES: A CASE STUDY AT N&H COMPANY IN MALAYSIA

Norhayati Alias<sup>1</sup>  
Noraizah Abu Bakar<sup>2</sup>  
Raziah Bi Mohamed Sadique<sup>3</sup>  
Noor Hasniza Haron<sup>4</sup>

## *Abstract*

*Academic-community relationship can be seen as an essential platform to provide insight about a successful entrepreneur through academicians' research. This relationship contributes to the enhancement and involvement of academicians towards the entrepreneur activities directly. Unfortunately, the academicians infrequently perceived themselves as part of entrepreneur activities that will lead to the challenge in teaching, coaching and mentoring students in academician world. Thus, this study aims to explore the academician mindset towards an entrepreneur mindset in order to invent a business model that can be useful for academic-community relationship. A case study research is conducted at the N&H Company among the academicians, community and the owner of the company to help the researcher to derive an academic-community relationship business model. The findings suggested that the academician can use their expertise as input to the business model of N&H Company and derived economic output. The findings also revealed that there are varieties of economic output for instance, the innovation and intellectual property can be derived based on this new business model to N&H company.*

**Keywords:** *Academic-Community Relationship, Entrepreneur Activities, Business Model, Case Study, Academician- Entrepreneur Mindset*

2016 GBSE Journal

## **Introduction**

Entrepreneurship has been seen as one measure to solve unemployment issue and also ways to create additional income. Therefore, government have taken steps to stimulate Malaysian citizen interest to involve in entrepreneur activities including introducing entrepreneur subject at university level to inculcate this entrepreneur culture especially among graduates. In order to support government agenda, many agencies such as Small Medium Corporation (SME Corp) and Institut Keusahawanan Negara (INSKEN) have played their role by providing fund and training to Malaysian entrepreneur. As for the academic-community, their contributions are through research. The researcher helps entrepreneur in several ways such as identifying the key factor to become a successful entrepreneur and develop measurement to measure the success of the business. Thus,

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<sup>1</sup> Faculty of Accountancy, University Technology Mara, Puncak Alam, Malaysia

<sup>2</sup> Faculty of Accountancy, University Technology Mara, Segamat Johor Malaysia

<sup>3</sup> Faculty of Accountancy, University Technology Mara, Negeri Sembilan Malaysia

<sup>4</sup> Faculty of Accountancy, University Technology Mara, Puncak Alam, Malaysia

academic-community relationship can be seen as an essential platform to provide insight about on how to be a successful entrepreneur through their research activities.

In addition, academic community was also involved in reviewing university curriculum by introducing entrepreneur subject as one of university core subjects. Some universities even change their vision and mission to meet this new objective. Unfortunately, the academicians infrequently perceived themselves as part of entrepreneur activities that lead to the question how academic community can produce graduates with entrepreneur mind-set if they themselves do not have those skills. This is consistent as reported by Hashimet all(2009) that academician should be given opportunity to run their own business to get the feeling of entrepreneur mind-set. Therefore the experience can be used to enhance the effectiveness of teaching entrepreneur subject.

This study will provide inputs to academician on how they can use their expertise to be part of entrepreneur community. This is to enhance academician in teaching, coaching and mentoring their students. In addition, this study will provide ideas to academic community to use entrepreneur platform as a tool to achieve their career path in future. This paper is structured as follows: a briefly review on the enterprenuership scope and followed by the academic-commnity relationship in entrepreneur activities. Next, the methodology section will be discussed and finally the finding from the study will be explored.

## **Literature Review**

The literatures are divided into two sections. First section discuss of entrepreneurship and the relationship of this variables with academic community relationship. The second part discussed about the business canvas model.

### **Entrepreneur**

Research on entrepreneur is focusing on how to identify opportunity, managing resources, entrepreneur attitudes and key factor to success entrepreneurship. One of the factors was entrepreneurs must have a good managerial capability. Saleh and Ndubisi (2006) who studied on problems and challenges faced by entrepreneur in Malaysian settings found that entrepreneurs who were lack of managerial capability would not have proper recording on their business activities. Hence, analysis of business performance and control over their businesses would be impossible. It also results in the entrepreneurs to be ineligible to apply for financing. As reported in the 10th Malaysia Plan, only businesses with track records would be eligible to apply for financial assistance from government bodies. With limited capital, skilled employees and modern equipments cannot be employed for quality production. As each factor is interrelated to one another, the entrepreneurial success may be at risk if an entrepreneur fails to improve his managerial capability.

Nandrom and Samson (2006) also reported that in Europe and United States the nature of the research on entrepreneurship are focusing on the behavioral aspect of the entrepreneur such as characteristics of entrepreneurship. Although debate continues about the effectiveness of teaching entrepreneurship, there is a notion that business schools effectively foster entrepreneurship education (Hynes,1996). Thus, academic-community relationship can be seen as an essential platform to provide insight about a successful entrepreneur through academicians' research. This relationship contributes to the enhancement and involvement of academicians towards the

entrepreneur activities directly. Unfortunately, the academicians infrequently perceived themselves as part of entrepreneur activities that will lead to the challenge in teaching, coaching and mentoring students in academician world.

As reported by Prime Minister Department through “Kertas Strategi 10: Mentransformasi Sistem Pendidikan”, cooperation between universities and industry are still not enough. The paper further explain that the reason are due to the lack of an entrepreneurial mind set among academic staff, less initiative to market their ideas, innovations and products to the industry. The industry also failed to take advantage of the capabilities, expertise and research resources such as laboratories and equipment to ensure research output has value to the industry and community. Therefore, we can conclude the importance of academic community relationship to exist to help the government to achieve the nation agenda as well closing the gap between the community and industries. In order to identify the process on how entrepreneurs conduct their business, the business canvas model will be used.

**Business Canvas Model**

Business models are defined as incorporating organizational narrative that explains how enterprise works (Magretta, 2002). Chesbrough & Rosenbloom (2002) perceived processes that convert innovation into value. In addition, the business model is also a recipe for firm activities to be more successful where it incorporates organizational design and strategy (Slywotzky & Wise, 2003). The business model can also be seen as “flows” of information and resources use within the company. (Timmers, 1998). Therefore, business models can be seen as a blue print of company strategy on how they run the operation of their company. The business models can best be described through nine building blocks as in the following table:

**Table 1: Business Model Canvas**

Key Partners	Key Activities	Value Proposition	Customer Relationship	Customer Segments
	Key Resources		Channels	
Cost Structure			Revenue Streams	

(Osterwalder & Pigneur, 2009)

The first block is key partners that shows who are the organization key partners such as distributor or supplier. The second block is key activities that highlight all activities of the companies. The third block is key resources of the organization including tangible and intangible resources. The fourth block is about the value proposition of the company where this segment is used to identify customer problems and how to satisfy customer need using companies’ value proposition. The fifth block is about customer relationship. This block highlights how companies maintain or keep in touch with their client. The sixth block is about channels that highlight the use of traditional or online business to promote their companies activities. The seventh block is about customer segments whether the company focus on kids’ apparel, niche market or high end user market. The eight blocks is cost structures that consist of fixed cost, variable cost and driven cost. The last block covers the revenue stream of the company. The following section will discuss on the methodology used for this study.

## **Methodology**

This study will be driven by the interpretive paradigm (Denzin and Lincoln 2000) as interpretive research attempts to understand a phenomenon through accessing the meanings that participants assign to them (Klein and Myers 1999). This research uses the case study research method as this is an exploratory study and the researcher needs to obtain in depth data on the academic-community relationship in entrepreneurship environment (Yin 1994). The case study was conducted in an N&H Hijrah Company between two parties: the academician as consultant at N&H Hijrah Company and participants in the seminar as community at N&H Hijrah Company. The owner of N&H Hijrah was interviewed via a semi-structured interview format. The interviewer recorded the interviews with permission of the interviewees and made use of written notes during the interviews. The one-to-one interviews took approximately 45-60 minutes.

The data collected from the interviews was analyzed using content analysis. After the interviews were transcribed, the researcher used the eight-step guideline proposed by Tesch (1990, p.142-145) for the coding process. After completing the coding process, categories were generated. As such, the researcher was then able to interpret the data, in order to identify “the lessons learned of the case study”. These lessons involved the researcher’s personal interpretation, as well as the meanings derived from a comparison of the findings with the literature (Creswell 2003). The findings from the case study will be discussed further in the next section.

## **Findings**

Discussions of analysis are divided into three parts. A brief description about N&H Company will be discussed. Then, the involvement of academic community in entrepreneur activities will be explored. Then finally, N&H Company activities will be described using a Business Canvas Model.

## **Background of Case study: N &H Company**

N&H was formed on 9th September 2013 with the principle objectives is to conduct trainings and also act as event managers that related to the training field. The focuses of the trainings are qualitative research, business counsellor for Small Medium Enterprise (SMEs) and Malaysia Private Reporting Entities (MPERs) for SMEs. N&H had conducted 3 qualitative research workshops. These 3 workshops are divided into workshop for beginners’ level, workshop for intermediate level and workshop for advance level. The first workshop covers philosophy of qualitative research and constructing research topic. The second workshop covers how to construct literature review and build conceptual framework and the third workshop covers how to construct a face to face interview and content analysis.

The participants of this three workshop are PhD students that currently undergone their PhD research project. The beginners slot was attend by those at the proposal stage. While intermediate and advance slot are those students currently at the stage of collecting and analyze their data. The approach used by this company to conduct the research are “hands on” and practical approach rather than communicating the theoretical based. Numbers of participants are limited to ten numbers of students only. This was to allow more interaction and two ways communication. During the session, the real life example of case study had been used to strengthen the understanding of participants.

### **The Involvement of Academic-Community Relationship in Entrepreneur Activities**

Based on the feedback received from the participants, they like the idea of sharing session using practical approach. They viewed the speakers as able to tackle and handled their problems. The participants also perceived the workshop enhanced their knowledge on qualitative research. As stated by Hashimet all (2009), entrepreneur education is hands on in nature, therefore experience are really valuable to deliver the entrepreneur lecture.

This finding can be perceived as an evidence of how academic community can use their expertise to get involved with entrepreneur activities. This real business experience can be used to share in class with their students anytime. This mean the academic communities do not need to wait for any entrepreneur class to talk about entrepreneur education. Infact, they become a role model to students that stimulate them to be more creative in doing business. In fact, entrepreneur learn effectively and earn competency through real life experience in solving business problem (Gibb,1996).

In order to strengthen the academic part, the relationship between academic and community can be perceived and used as consultation activities to meet academician career path requirement. It also triggered idea to the academic community to write a practical book on academic research. In fact during the workshop, the academic community comes out with teaching modules on qualitative research to facilitate the flow of training. Therefore this module can be patented and again it will add value to the career path.

In addition, the academic communities are creating job opportunity to students to do part time job. As what has been done by N&H, the academic community engaged students to do their N&H administration work. The students are usually paid using hourly rate that will indirectly lower the overhead cost for N&H. Besides that N&H do not maintain fixed premises to carry their training course. They will rent out seminar hall at a reasonable rate. This business operation helps N&H to reduce their overhead cost so they can provide training at lower rate as compared to their competitors.

Hence, the study showed that academic community has undergone successful entrepreneurship process. The point stated above, have proven that academic-community already have all the required skill to engage in business activities as suggested by entrepreneur readiness taxonomy (Norashidah et al 2008). However there are several challenges that the academic community is facing for instance, the time constraint due to work load responsibilities. This challenge make academic community will learned more about the real situation of business and this is what we called real life experience. They will learn how to deal with specific issues and learn how to deal with the issues. The findings from the case study using business canvas model will be discussed further in the following section.

### **Business Model of N&H Company activities using Business Canvas Model**

Business model was describes the rationale of how an organization creates, delivers and capture valuefor its stakeholder (Magretta, 2002). Therefore to ensure a viability of successful entrepreneurship is important for a company to have a blueprint of their business model. Thus this section, try to elaborate about the business model of N7H Company from the perspective of business canvas model.

a) Key partners

The important key partners of N&H Company are academician at Higher Learning Institution and those involved with research activities.

b) Key activities

The key activities for this business model are training, mentoring, consulting, publication, journal article, manuals and copyrights

c) Key resources

As for this block, the key resources for N&H are trainers, facilitators, module and knowledge on research area

d) Value proposition

The unique of this company is on the approach of conducting the training where the speakers use practical approach of qualitative research rather than theoretical aspects. They focus on “hands on” delivering method that simplified the technical area of qualitative research. The class was also conducted in small groups to allow interaction and two ways communication.

e) Customer relationship

N&H maintain good customer relationship since they provide after sales service. This mean their participants will always look forward for their coming workshop and in fact there are few participants that have attended all the three workshops.

f) Channels

N&H have been using whatsapp and email to promote their business activities. Social media such as instgram and facebook were set up and closely maintain. Information of the workshop can also access via website.

g) Customer segments

The customer segments are focusing on researchers, academician a higher level institution and postgraduate students.

h) Cost structure

The expense of N&H is basically concentrating on rental hall since they got now fixed premises. Other expenses such as honorarium/consultation fees, travelling expenses, foods and administration cost such as printing and telephone bills.

i) Revenue streams

N & H revenue streams mainly derived from trainings, consultation, manual, patent and modules.

The findings suggested that the academician can used their expertise as input to the business model of N&H Company and derived economic output. The findings also revealed that there are varieties of economic output for instance; the innovation and intellectual property can be

derived based on this new business model to N&H Company. The research reveals the capability of academic community to run a business by using her expertise and knowledge on business. They already possess characteristics of a successful entrepreneurship such as determine, know what they want to do and able to execute with minimum guidance. In addition, these findings contribute to a new dimension of business model that can be used by academic community. This exploratory study proved that academic community can perceived themselves as part of entrepreneurship community.

## Conclusion

This paper discusses qualitative research using case study approach. Research findings suggested that academic community can perceived as part of entrepreneurship community where they possess the readiness and capability characteristics to run a business. In fact, the findings suggested that by doing business activities, this will help enhancing their career path through publication, consultation and innovation. However, only one case study is used to support the findings. Therefore, future research can be extending to entrepreneurship from Islamic perspective.

## Acknowledgements

Special thanks to Executive Director of N&H Company to allow researcher to use their company for this study. Correspondence author: [norha927@salam.uitm.edu.my](mailto:norha927@salam.uitm.edu.my)

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