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Faculty of Business Economics

Master of Management

Masterthesis

Open innovation in small and medium-sized enterprises: the application and its impacts on firm performance in Vietnam

Thuy Linh Nguyen

Thesis presented in fulfillment of the requirements for the degree of Master of Management, specialization International Marketing Strategy

SUPERVISOR :

Prof. dr. Wim VANHAVERBEKE

CO-SUPERVISOR :

De heer Muhammad USMAN



UHASSELT

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www.uhasselt.be
Universiteit Hasselt
Campus Hasselt:
Martelarenlaan 42 | 3500 Hasselt
Campus Diepenbeek:
Agoralaan Gebouw D | 3590 Diepenbeek

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ABSTRACT

Despite the extensive discussion on various aspects of open innovation (OI) in small and medium-sized enterprises (SMEs), most cases and studies were extracted from developed countries where economies, entrepreneurship and policies are advanced. OI in SMEs in developing nations where specific differences exist does not seem to get adequate attention. Thus, this research aims to explore the impacts that OI implementation establish on firm performance in SMEs in Vietnam – a developing country in ASEAN that holds unique economic features. First, a general literature review of OI implementation in SMEs and the policy as well as entrepreneurship in Vietnam is described. Next, three cases of different enterprises employing OI strategy are discussed and analysed accordingly. Finally, the findings show that (1) outbound OI are largely employed by SMEs in Vietnam; (2) the challenges in partner selection exist in OI application for firms; (3) the OI term is little known by entrepreneur in Vietnam; (4) Government roles are limited towards SMEs in OI. This research explored an aspect of OI application in micro and small-sized firms in Vietnam and the impacts of OI on the firm performance.

CHAPTER 1: INTRODUCTION

Small and medium-sized enterprises (SMEs) takes ups around ninety seven percent of total enterprises in Vietnam (Can, 2017), thus, their roles in national economy is of great importance. The development of SMEs, however, has great potential lying in the Open Innovation strategy (Lee, et al., 2010).

According to the Global Innovation Index 2017, Vietnam takes the 47th position out of 127 countries, which is 12 places higher than that of 2016; and the highest ranking in the last 10 years. That means, the evolvement of Vietnamese economy has a lot of tendency towards innovation-driven economy. To develop and evolve in such business environment, SMEs need to make several efforts since their resource capacity is weak and lacking.

In this regard, this research aims to explore how SMEs adopted OI in Vietnam and whether the OI application impact on them positively or negatively.

Based on that target, the following research questions will be focused to analyse:

- What are the innovations of the SMEs?
- How Open Innovation is performed in the SMEs?
- What impacts (in terms of benefits and challenges) do OI implementation put on firm performance?

In the next chapter (chapter 2), a literature review on Open Innovation terms, the benefits and challenges on SMEs performances proposed by scholar will be illustrated, along with that, Vietnamese context on SMEs, innovation situation and business environment will be elaborated. Chapter 3 will deliver the methodology that the thesis employed. Chapter 4 will in-depth analyse the three cases of companies in Vietnam. Finally, chapter 5 will conclude, suggest some managerial implications, limitations and future research recommendations.

CHAPTER 2: LITERATURE REVIEW

2.1. What is Open Innovation?

Since Chesbrough first introduced his book “Open Innovation” in 2003, hundreds of academic articles and several industry conferences have discussed different aspects of the topic (Chesbrough, 2015). The definition of the term, thus, has been developed and further clarified over time.

In 2006, “open innovation” was defined as “*the purposive inflows and outflows of knowledge to accelerate internal innovation, and expand the markets for external use of innovation, respectively*” (Chesbrough, et al., 2006). Until 2014, Chesbrough and Bogers concluded that OI should be a process that “*involves purposively managed knowledge flows across the organizational boundary*” (Chesbrough & Bogers, 2014). From both cases, it means when the flow goes beyond firm boundary, knowledge can make its way to develop and create value in the existing as well as the new market.

Based on the original conception of OI, the knowledge flow is classified into two main directions: “In-bound” (outside-in) and “Outbound” (inside-out) (Chesbrough, 2003), plus an extension version called ‘coupled’ process which combines the two main types (Gassmann & Enkel, 2004).

In-bound (or “outside-in”) OI relates to the firm’s activity of gathering external ideas and technologies to incorporate with its own innovation process (Chesbrough, 2003). The most important activities in the flow involve external innovations search, relevant innovations selection and acquisition, innovations integration into the firm R&D and distributing to market (West & Bogers, 2014).

Out-bound (or “inside-out”) OI refers to the firm’s unused or underutilized knowledge being shared and internalized by other firms (Chesbrough, 2003). With the out-bound OI strategy, firms can perform several contractual practices, e.g., out-licensing agreements, spin-offs, or technology sales. Via those, firms try to develop their technological knowledge from the

outsiders and earn further revenues (Lichtenthaler & Ernst, 2007).

Coupled OI refers to the firm's jointly R&D work cooperated with different types of partners under several forms of partnerships. The commercial success relies largely on the mutual achievements of firms (Gassmann & Enkel, 2004). Later, the purpose of coupled OI was clarified as managing mutual knowledge flow to go beyond boundaries of organizations. The mechanisms in coupled OI can be listed as: strategic alliances, joint ventures, consortia, networks, ecosystems and innovation platforms (Chesbrough, et al., 2014).

Chesbrough argues in his book that the traditionally closed innovation is not the strategic asset as it was before (Chesbrough, 2003), and OI has become a popular business strategy in various industries (Dahlander & Gann, 2010) (Gassmann, et al., 2010) (Huizingh, 2011). Thus, these factors may drive firms to implement the OI practice. However, the collaboration in OI also involves a number of challenges in terms of organizational and managerial issues for firms (Chatenier, et al., 2009) (Naqshbandi, et al., 2015). For the purpose of this analysis, the next part exploits the literature on the implementation of OI in SMEs in terms of enablers, barriers and ways SMEs deal with OI.

2.2. Open Innovation implementation in SMEs

The number of studies discussing OI in SMEs is relatively low (Ahn, et al., 2013) (Brunswicker & van de Vrande, 2014) (Parida, et al., 2012), most research works focused on large firms (van de Vrande, et al., 2009) (Bianchi, et al., 2010), however, there are researches that have illustrated motives and challenges to OI adoption in the small and medium-sized enterprises.

2.2.1. Why should SMEs implement OI?

In terms of benefits, open innovation holds great potential for SMEs (Lee, et al., 2010). It is also argued that SMEs are more effective than large firms since they can perform several OI practices parallel (Spithoven, et al., 2013). This benefit of SMEs happens to be extremely competitive in comparing to large firms. According to Chesbrough (2010), "SMEs have structural edges in open innovation world". The small size of SMEs allows them to exploit

smaller markets and access to new trends sooner with the relatively low entry costs. The focus as well as business specialization can also be adjusted to suit the needs of “particular market, customer type, expertise or technology” to “generate a sustainable competitive advantage in industries”. Besides, fast decision making, rapid implementation, quick reaction and fast learning with the input from customers and challenges are considered as the potential competitive advantage of SMEs in the OI application process as well (Chesbrough, 2010). Thus, the structure of SMEs themselves serves a great deal of benefits in regards to adopting OI.

In terms of searching strategy, according to Theyel (2013), the selection of practices and partners plays a heavy role in the effective implementation of OI (Theyel, 2013). The process of locating the suitable searching strategy is of great importance because searching strategy involves “acquisition” and “exploitation”. Those two steps mean the activity of absorbing external technologies and commercializing them (Hossain, 2016). However, SMEs’ capacity to perform large-scale search is not adequate and managing several searching networks parallel is also a difficult task for them (Laursen & Salter, 2014). Hence, “searching strategy is an important step of SMEs for OI” for “new knowledge, innovative ideas, partners, and potential market, among others” (Hossain, 2016).

In terms of networking and collaboration, external network plays as an important dimension that strongly associated with open innovation (Chesbrough, et al., 2006). Networking is comprised of acquiring and maintaining relationship and connections with sources of social capital outside firms. Enterprises can also rapidly solve their knowledge needs while do not have to spend large amounts of time and money through their networks (van de Vrande, et al., 2009). Thus, “network profile has a significant role in innovation performance” (Hossain, 2016). Also, SMEs can benefit from collaborative environment offered by organizations, e.g., living labs, research centres, incubators and university research units (Hronszky & Kovács, 2013). Parida et al. (2012) pointed out that technology scouting is beneficial for high-tech SMEs as well, since it is not only low-cost but also effective (Parida, et al., 2012). In addition, collaboration with external partners can help their products and services launching become more viable for SMEs. The collaboration mentioned here does not limit in just science and

technology, it also involves value chain partnerships for new knowledge bases that can be easily absorbed (Spithoven, et al., 2013).

In terms of commercialization, SMEs follow open innovation strategy largely because of commercial activities, for example, meeting customer demand or keeping up with competitors (van de Vrande, et al., 2009). By well understand and perform those tasks, the firms may find their ways to improve their internal innovation process. It is also argued that SMEs' strong points are at inventions but weak points lie in resources for commercialization. Thus, collaboration with intermediaries during commercial stage is suggested to tackle the financial and economic issues (Lee, et al., 2010).

2.2.2. What challenges SMEs face in implementing OI?

Despite the above-listed benefits of adopting OI, a large portion of SMEs are still pursuing closed innovation (Lichtenthaler, 2008). There are factors that prevent firms from implementing the strategy. The table below illustrated the main barriers that SMEs need to overcome in order to successfully implement the OI paradigm.

Category	Description
Administration	Bureaucracy, administrative burdens, conflicting rules
Finance	Obtaining financial resources
Knowledge	Lack of technological knowledge, lack of competent personnel, lack of legal/ administrative knowledge
Marketing	Insufficient market intelligence, market affinity, marketing problems with new products
Organization/ culture	Balancing innovation and daily tasks, communication problems, aligning partners, organization of innovation

Resources	Costs of innovation, time needed
Property rights	Ownership of developed innovations, user rights when different parties cooperate
Quality of partners	Partner does not meet expectations, deadlines are not met
User acceptance	Adoption problems, customer requirements misjudged
Customer demand	Customer demand too specific, innovation appears not to fit the market
Competent employees	Employees lack knowledge/ competences, not enough labour flexibility
Commitment	Lack of employee commitment, resistance to change
Idea management	Employees have too many ideas, no management support

Table 1 Classification of open innovation barriers

Adapted from “Open innovation in SMEs: Trends, motives and management challenges” (Jong, et al., 2007)

In general, in SMEs, the managerial and technical skills are not sufficient for their effectiveness (Rahman & Ramos, 2010). This is especially true for small innovative firms which rely heavily on the outside technological development to acquire new knowledge (Hicks & Hedge, 2005). In addition, SMEs are commonly recognized to have organic structure in which the level of specialization, standardization and formalization is fairly low, whereas flexible working relationships dominate (Ghobadian & Galleary, 1997). Hence, “SMEs activities and operations are governed by informal and loose procedures” (Dufour & Son, 2011). Consequently, the environment of business tends to impact critically on the success. When demands increase and complexity in innovation arises, SMEs tend to be more fragile and easily affected owing to some mentioned factors on administration. In addition, Parida et.al (2012) imposed one

crucial challenge to implementing OI in SMEs is the awareness of owners (Parida, et al., 2012) who are, most of the time, the decision-makers in SMEs. That means the managers in SMEs takes great deals of responsibilities at the same time. That may result in unclear processes and procedures to react quickly (Dufour & Son, 2011) and possibly, administrative burdens and conflicting rules in management tasks.

In terms of resources and financial barriers, Abouzeedan et al. (2013) described the difficulties of SMEs towards innovation involving resources scarcity, (...) (Abouzeedan, et al., 2011). Lee et al. (2010) pointed out that SMEs competencies are good in inventions but lacking in commercialization and collaboration, which are more vital for them (Lee, et al., 2010). Van de Vrande et.al (2009) also illustrated the lacking in financial resources as well as time needed to implement OI practices as a general barrier for SMEs... In addition, SMEs' specific organizational structure causes them to suffer from a strong scarcity of human capital, financial resources and know-how (Welsh & White, 1981); (Ghobadian & Gallea, 1997); (Caloghirou, et al., 2004). Owing to the issue, SMEs are not able to afford the utilization of their existing tools (Ramos, et al., 2009) to develop capacity themselves.

Knowledge and idea management serve as another challenge that SMEs need to tackle. "In knowledge-based economies, (...) SMEs lack the necessary internal absorptive capacity and accesses to external technology, knowledge and finance needed to develop and diversify their product portfolio, invest in R&D (...)" (Wynarczyk, 2014). Additionally, the limited internal resources of SMEs lower their ability to participate in innovative efforts and access to new technologies as well (European Commission, 2005; (Pittaway, et al., 2004)). Also, according to Kirkels & Duysters (2010), SMEs need the cooperation with external partners to acquire knowledge and competencies, while finding suitable partners, lacking knowledge base and internal structure to manage and absorb the acquired knowledge are challenges that they have to deal with at the same time (Kirkels & Duysters, 2010).

The following barrier to discuss is the culture of organization issues. Chesbrough and Crowther (2006) mentioned and clarified this issue into two factors, called Not-Invented-Here (NIH) syndrome and "lack of internal commitment". The NIH syndrome describes firms' internal

resistance against external knowledge, most of the time, this happens because those knowledge conflicts with the firms' usual routines and beliefs. That causes employees to react in resistance. (Chesbrough & Crowther, 2006). As a result, NIH syndrome may lead to the "lack of internal commitment" trend. This could be owing to the fact that collaborating with external partners imposes a sense of threat or under-evaluated feeling upon internal firm employees (Ollila & Elmquist, 2011).

Apart from the trust among partners which is considered to be an importance element for enterprises by several scholars from the past till now (Shamah & Elsayaby, 2014), quality of partners also plays an important role in the success of OI implementation of SMEs. Boschma (2005) illustrated the proximity including: cognitive, organizational, cultural and institutional differences among partners (Boschma, 2005). That means the diversity in beliefs, points of view and philosophy of partners may hamper the collaboration and the knowledge sharing process. The potential challenges may also arise from free-riding behaviour of partners (Hoffman & Schlosser, 2001) (Mohr & Spekman, 1994) which implies that they refuse to take the obligation of doing their share in the cooperation.

Marketing and related issues, such as user acceptance and customer demand are also mentioned in certain articles and literature as specific challenges for SMEs in OI implementation. Gassman (2006) pointed out that customer involvement plays as a crucial alternative to inform firms' internal process (Gassmann, 2006). However, Narula (2004) listed insufficient marketing ability as one of the heaviest factor that derived from their size (Narula, 2004). That means the activity of engaging firms' product or service within the market as well as towards the customers is still insufficient. SMEs' small size tends to lead to limited customer base. Due to that, they employ flexible, unstructured and informal process to integrate users which do not require large investment (van de Vrande, et al., 2009). Thus, customers' feedbacks at SMEs tend to be lower. Consequently, the demand as well as the acceptance among users may not be researched deeply enough to acquire the most precise outcome which may result in OI adoption problem and innovation not fitting with demands.

Lastly, property rights can also be a barrier to SMEs when implementing OI if they lack of understandings in the field. Several studies showed that SMEs can greatly raise their share of new products in regards to intellectual properties (IP) protection (Andries & Faems, 2013) (Spithoven, et al., 2013). Besides, they can benefit from the use of IPR protection mechanism more than large firms do and the applicability of the innovation is more necessary for them (Spithoven, et al., 2013). Thus, the challenges for SMEs here are to protect their technology base from being immediately imitated or replicated (Christensen, et al., 2005) and put the adequate emphasis on their internal R&D capabilities in terms of researchers, IP contract and timescales of projects (Padilla-Meléndez, et al., 2013).

In conclusion, despite the long-listed barriers that were illustrated, based on the literature review explained above, the challenges were mainly routed from four factors, namely: firms' internal culture, SMEs' organizational structure, knowledge management schemes and networking issues. Thus, in order to successfully implement OI, SMEs should acknowledge the barriers and find ways to overcome those obstacles. The methods to manage the challenges occurring during OI implementation phase, however, are diverse among different contexts. Next part of this paper will zoom in economies, entrepreneurship and policy of Vietnam to enhance the understanding of applicability of OI in a specific economic background.

2.3. Entrepreneurship in Vietnam

To describe the development of economy in Vietnam, the year 1986 is a greatly important milestone. It is when the economic and political reforms took place, under the widely used name as *Doi Moi (renovation)*. The centrally planned economy was transformed into market economy. The reforms also helped Vietnam accelerate the GDP growth, significantly increase the imports and exports and benefit from large foreign capital (Thuy, et al., 2015). According to World Bank, after 30 years since the renovation, Vietnam developed to a lower middle-income country from the starting point as one of the poorest nations in the world.

For the time being, Vietnam is a developing nation with specific competitive advantages. The country has a young population with 70% is under 30, which greatly impact on economic

growth. (Stephanie Jones, 2016). Thus, labour force is ready and available. Hiring staffs is easy and inexpensive.

Since the thesis targets to examine the impacts of OI implementation on SMEs performances in Vietnam, the next sections will cover the development, characteristics of SMEs and Government roles and supports towards SMEs practices.

2.3.1. SMEs Development in Vietnam

The definition of SMEs in Vietnam is, to some extents, different from those of European Commission and World Bank. In general, the numbers of employees in micro, small-sized and medium-sized enterprises are fewer than 10, 10 to 200 and 200 to 300, respectively. The total capital in small-sized firms is under USD 1 million and in medium-sized firms is from USD 1 million to USD 5 million. However, in Trade and Service sector, the headcounts as well as financial assets for SMEs are lower. Small-sized firms are defined with 10 to 50 staffs and capital under USD 0.5 million while the figures are 50 to 100 staffs and USD 0.5 million to USD 2.5 million for medium-sized firms (Le, 2013).

Sector	Micro enterprises	Small-sized enterprises		Medium-sized enterprises	
	Number of employees	Total capital (USD)	Number of employees	Total capital (USD)	Number of employees
General sectors	< 10	< 1 million	10 – 200	1 – 5 million	200 – 300
Trade and Service	< 10	< 0.5 million	10 – 50	0.5 – 2.5 million	50 - 100

Table 2 Vietnamese definition of SMEs

According to the updated information presented at APEC Conference in 2017, micro, small and medium-sized enterprises (MSMEs) take up to around 97% of the total number of

businesses with the contribution to the GDP was 41%. The SMEs establishments also helped to greatly reduce unemployment rate, exploit local materials and strengthen social stability. Recorded in 2016, the number of active MSMEs was 590,000 with 68% of which are micro enterprises, small and medium enterprises accounted for 30% and 2%, respectively. By December, 2016 Vietnamese SMEs’ registered capital was approximately USD 130 billion which made the contribution of 33% of total State budget revenues (Can, 2017).

However, there are also several difficulties and challenges underlying in business environment for SMEs in Vietnam. According to the report on SMEs characteristics by the Minister of Planning and Investment Vietnam (MPI) depict 2016 report about situation in 2015, 83 percent of enterprise experienced certain constraints to firm growth (MPI, 2016). The main problems perceived by firms are illustrated in the figure below.

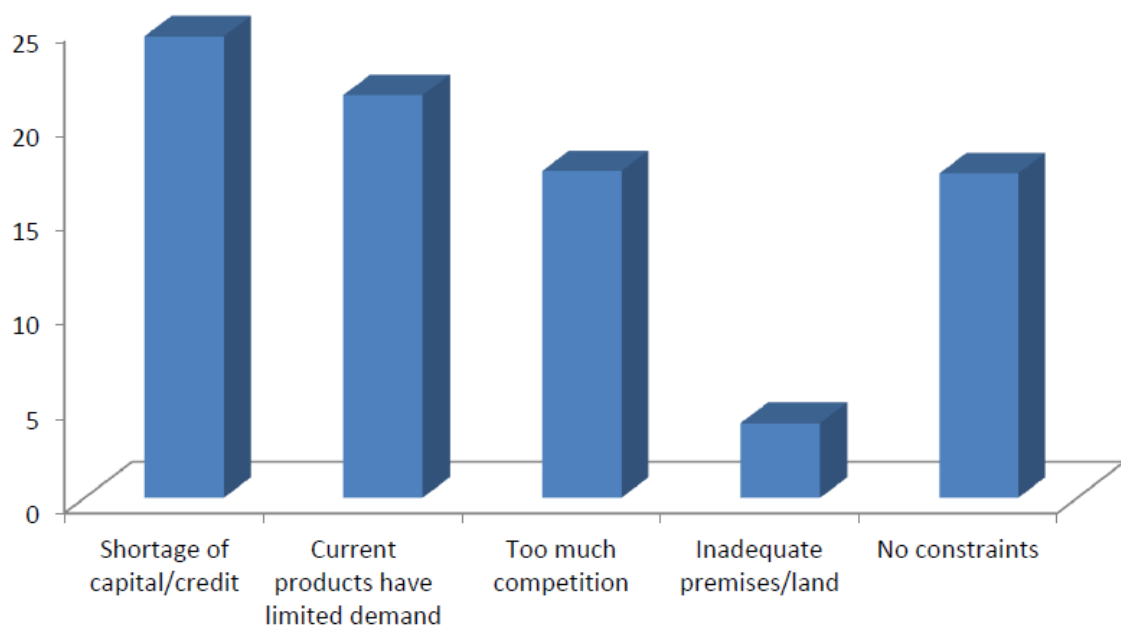


Figure 1 Most important constraints to growth perceived by Vietnamese SMEs in 2015

Adapted from “Characteristics of Vietnamese Business Environment: Evidence from a SME survey” (MPI, 2016, p. 20)

Shortage of capital/ credit was shown to be the most critical challenge to firms’ growth. Since financial resource plays a key role in all processes of business, it is of great importance for

firms to find ways to finance themselves. Once the budget issue is tackled, the related constraints such as: limited demand products, competition, etc can, for instance, get more R&D investments to be improved. Below are the sources of finance that SMEs rely on for their new investments in 2013 and 2015.

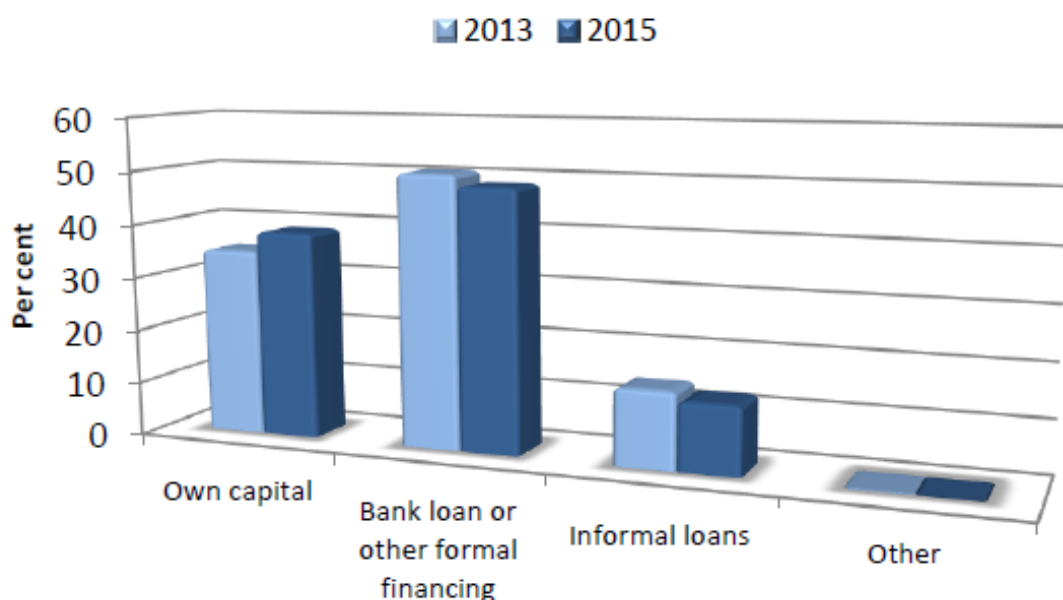


Figure 2 Sources of finance for new investments of Vietnamese SMEs in 2013-15

Source: “Characteristics of Vietnamese Business Environment: Evidence from a SME survey” (MPI, 2016, p. 39)

In the period 2011–2015, Vietnamese Government implemented the Five-Year SME Development Plan for investment supports, thus, bank loan and other formal financing were the most popular sources that SMEs turn to in the search for capital. Informal loans accounted for a moderate portion; these could be explained as the loans from friends or family without interests (MPI, 2016).

The distribution of investments is illustrated in the chart below. Comparing the figures, the trend of SMEs spending can be clearly seen. Since they invested a lot in increasing firms’ production capacity, very little went for quality, new output, safety and environmental requirements. This entails that concerns of SMEs lie mainly on the manufacturing and

producing sector, which directly impact on the revenues and turn-over. Also, it implies a strong neglect in terms of sustainable development from SMEs' spending trend.

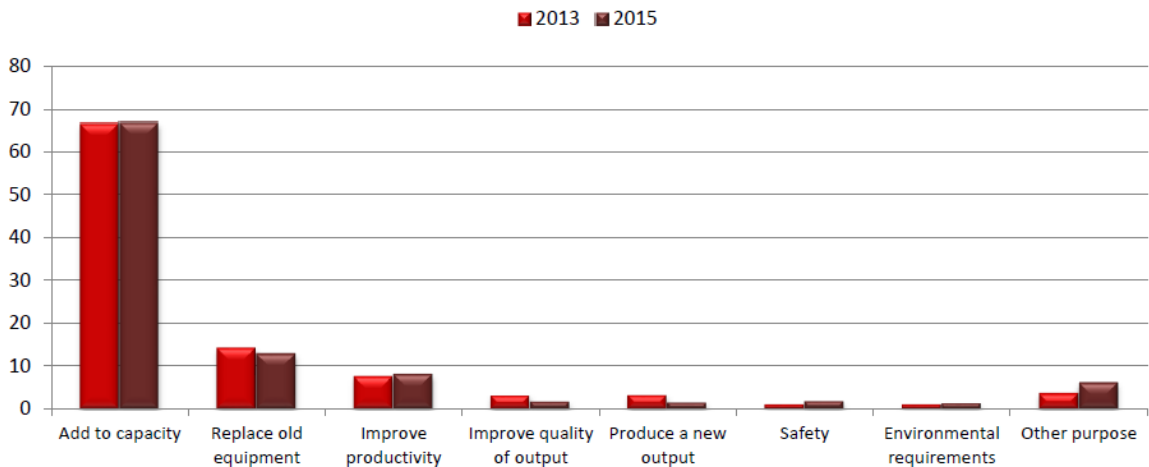


Figure 3 Investment purposes of Vietnamese SMEs 2013-15 (percent)

Source: “Characteristics of Vietnamese Business Environment: Evidence from a SME survey” (MPI, 2016, p. 41)

In summary, SMEs in Vietnam are developing and playing a key role in the economy. The obstacles that firms encounter is largely in terms of capacity and resource issue.

2.3.2. Business environment and Government supports for SMEs in Vietnam

Vietnam is a developing country, thus, there are certain advantages as well as limitations existing for SMEs.

According to the “Evidence from a SME Survey in 2015” published by MPI in 2016, there were improvements in several important aspects of business environment in Vietnam (MPI, 2016). The formalization of business entities rose considerably. That means, a lot of firms which previously had not registered for Business Registration Licenses (and tax codes) were then moving into formality. The employment growth and labour productivity witnessed a general rise and firm exit rates saw a decrease in 2015 in comparison to that since 2009. (MPI, 2016)

On the other hand, one limitation for SMEs in Vietnam should be mentioned on the matter of bureaucracy, informality and informal payments. Informal charges and administrative burden

in paying taxes are two major challenges for firms. Those two issues are potentially linked to bribery and corruption. The trend of bribing was recorded to rise since 2007. Based on the survey carried out in 2013, 45% of firms made informal payments (Central Institute for Economic Management, 2014). This is a relatively high percentage which supports the *bribes to hide* hypothesis by Rand et al. in their survey in Vietnam (Rand, et al., 2008).

In terms of Government supports, there have been several practices and decisions to encourage SMEs operations. In 2014, the national lending interest rates were lowered for 5 priority sectors, in which SMEs are included. In September the same year, a fund supporting SMEs were also operated purposely to expand their access to finance, develop knowledge in digital technology and risk management and encourage innovation and creativity. In addition, business portals and seminars providing information and understandings between SMEs, associations and Governments are also increasingly developed and promoted (Can, 2017).

2.3.3. Innovation in SMEs in Vietnam

According to the Global Innovation Index 2017, Vietnam takes the 47th position out of 127 countries, which is 12 places higher than that of 2016; and the highest ranking in the last 10 years. Among the group of lower-middle income economies, Vietnam is the highest ranking one; amid the Association of Southeast Asian Nations members, Vietnam ranks 3rd place behind Singapore and Malaysia. Regarding the innovation efficiency ratio, Vietnam is among top 10 countries in the world (World Intellectual Property Organization, 2017). This data indicates that Vietnam should focus more on innovation, targeting to become an innovation-driven economy (Shira, 2017). The government has issued Resolution No. No. 19-2017/NQ-CP in February 2017 to enhance the business environment as well as improve national competitiveness in the international context.

In order to be more specific about the state of innovation among Vietnamese companies, several aspects should be considered, namely the culture and perception about innovation, innovation results, form of innovation and the human resource dedicated to innovation (Nha & Quan, 2013). In general, Vietnamese firms are well aware about the role and benefits of

innovation, however, due to the lack of proper investment and reluctance of change, few companies have policies to facilitate this activity. There has also seems to be a misconception between innovation and invention in managers' mindset. Innovation is the act of developing products, services, processes or new management system of companies, in order to satisfy requirements of the dynamic and competitive business environment (D'aveni, 1994). An invention is only considered innovation when it can be commercialized and satisfying certain needs of the customer.

Regarding the innovation outputs of Vietnamese firms, the study shows that most innovated products and services have resulted in an increase of 11 to 20 percent of revenue for most companies in various industries (see figure 4). However, these data are from 4 years ago, when Vietnam was at the 76th place in the Global Innovation Index, which is 29 positions lower than that in 2017. Furthermore, there has not been any new scientific study carried over the last years regarding Vietnamese firms' innovation. Nevertheless, the figure still indicates a high percentage of return from innovation.

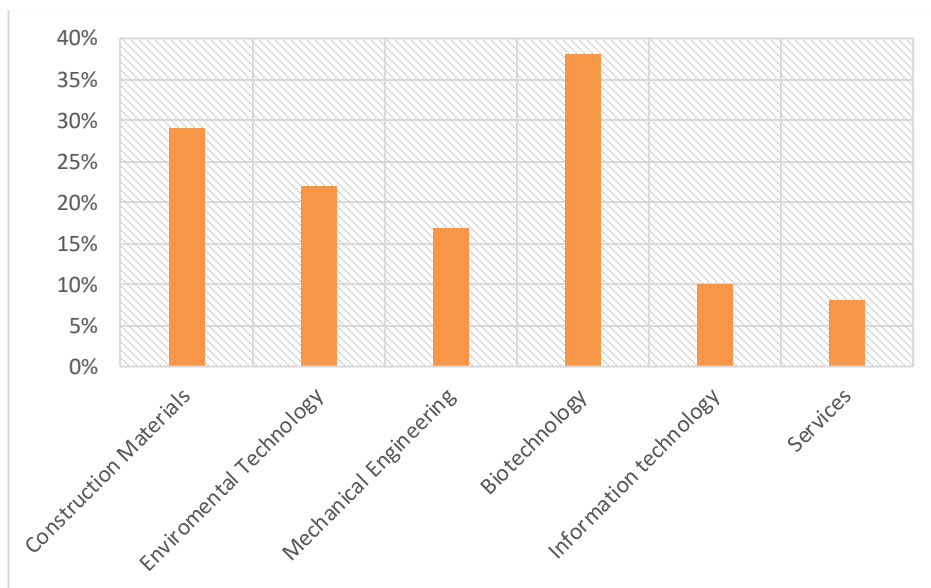


Figure 4 Innovation's contribution to revenue (Phong Nha 2013)

In recent years, the continuous improvement of political system, business environment, competitiveness and innovative capabilities of Vietnam has led to these tremendous results. According to the Ministry of Technology and Science, Vietnam has the strength in 7 areas,

namely the technology and knowledge output, complexity/diversity index of the market, complexity/ diversity index of businesses, creative output index and educational investment growth index (Tu, 2017). This improvement has led to a shift of focus from manufacturing firms, as many Japanese, Korean and Chinese companies are starting to invest and open manufacturing activities in Vietnam over the course of recent years, for example, since 2011, Samsung's second largest smartphone factory, the largest being the Kumi factory in Korea, has been located in Yen Phong industrial zone in Vietnam. The regional production and innovation networks also received a boost from such activities to a certain extent, however, the fact remains that Vietnam possess a low-cost and lack of skilled workforce as well as low R&D activities, which prevents foreign firms from maximizing their potential (Shira, 2017). All in all, making the best out of its situation, Vietnam should focus more on its innovation strategy. Vietnamese companies' endeavour to focus on innovative research should be encouraged.

CHAPTER 3: METHODOLOGY

3.1. Sampling

The sample companies were selected based on convenient sampling method. The choice of the method is threefold. First, the trend of innovative firms in the SMEs business environment leads to a lack of samples for the research. This tendency can be explained according to Figure 3, the largest investment of SMEs in Vietnam in the period 2013-2015 goes to adding capacity, which significantly outweighed the investments in improving products' outputs and launching a new product. Also, as explained above, despite understandings of the roles of innovation, the lack of proper investment and reluctance of change cause few companies to facilitate the activity. Second, low supports from national SMEs' forums and corporation towards students are barriers for the author to get further access to the database of innovative SMEs in Vietnam. Their unwillingness to share information often routes from the trust issues, and for fear of losing IP. Third, the huge geographical distance between Vietnam and Belgium also hinders the efforts to communicate with firms in the research country. Vietnamese firms' culture is not open to outsiders and prefers direct face-to-face meetings rather than online communication. Thus, the convenient sampling method was employed to make best use of the availability and willingness to participate of the CEOs.

Owing to the difficulties in selecting samples listed above, the author accessed to the innovative firms through two directions: the author's personal network and the reference of Prof. X from Foreign Trade University Hanoi. In order to identify the OI practices that SMEs implemented and the impacts on them, three companies working in three different industries, namely: education (English training), comic production and cosmetics distribution are studied. The companies' sizes are structured as two small-sized companies and one micro company as followed:

1. STEP UP English Centre – small-sized enterprise
2. COMICOLA – small-sized enterprise

3. Ha Beauty – micro enterprise

The three companies were selected owing to several reasons. First, the three industries are particular. Education, especially English language training and cosmetics distribution are the two very competitive businesses in Vietnam, the impacts of innovations in small firms can be more clearly recognized. Whereas, the comic industry is young and fragile, and COMICOLA is the first firm to officially work in the sector in Vietnam, their reliance on innovation to develop was great and potential. Second, all the three CEOs of the research companies are young (under 32) and popular on media and social network. Thus, their cooperation in communication approaches and willingness to share about companies' business allowed the author to integrate more details in the research.

3.2. Research Methodology

This research employed the qualitative methods for the purpose of collecting data with flexibility in details and characteristics of different firms' concepts. The author aims to analyse OI practices in SMEs in Vietnam via three main aspects: the OI applications and the impacts in terms of benefits and challenges by implementing those. Those are difficult to capture with quantitative method since they require explanation or understanding of social phenomena and their contexts, for which qualitative methods are better (Snape & Spencer, 2013)

Regarding data collection, the primary data were collected via the interview with CEOs of the SMEs. Besides, information available on companies' websites was also integrated. Due to geographical difficulties between Belgium and Vietnam, the interviews were conducted via video calls. After that, the interview results are applied into the research theme to develop.

The interviews were administered in Vietnamese owing to the fact that not all CEOs can speak English fluently on the interview topic. Prior to conducting the interview, a list of interview questions was constructed based on the different factors analysed in the literature review. The question list is included in the Appendix A of the thesis.

CHAPTER 4: CASE STUDY FINDINGS

4.1. STEP UP English Centre

4.1.1. Company background

STEP UP English Centre is a small enterprise actively works in the field of English training in Northern Vietnam since 2011. For the time being, the company is run under the management of the CEO - Mr. Hiep Nguyen with 21 full-time staffs and several part-time workers. At the moment, English training is a very competitive market in Vietnam with several centres, non-registered classes and private tutoring service. In such circumstances, STEP UP managed to successfully expand the business thanks to competitive advantages in the innovative learning methods.

The target customers at STEP UP are college students and people going to work, who target to use English properly in a short period of time. Thus, innovation in teaching methodology and facilities are of great importance. So far, STEP UP has developed several types of courses and products assisting English learners in their English study path, both at home and in-class. Most of those received good feedbacks and reviews from English learners.

4.1.2. Innovation at STEP UP

Innovation in course construction

Instead of the traditional method of studying with pen and papers, most courses at STEP UP are constructed under activity-based model. The teaching approach here employs movements and instant response activities such as role-play, quiz and scenario, etc. which require learners to use English to solve as fast as possible. More specifically, there are different classrooms in the centre building, with different context and styles of decorations. Some are equipped with yoga-balls to replace all chairs for the purpose of sitting. This helps learners to feel less bored if they have to sit still for too long. Some are prepared with several kinds of board-games to

assist practice and entertainment in class. There is even one room furnished with kitchen facilities. This allows teachers and learners to throw a small party or bonding events, which helps increase sociality. Every detail is designed in a funny and modern style and in English. Rooms are switched regularly to create new feelings and excitements for learners. The CEO explained the purpose for this idea was to make people feel they are going to relax whenever they attend class. This will not only motivate them in regular attendance, but also create context for them to absorb language naturally and more effectively.

Teachers' role is to operate, guide, encourage people to speak and make sure that all activities are in control. They observe learners, take note of the mistakes and performances and give feedbacks at the end of every class. They are also responsible for homework and project controlling. Students are individually assigned with making a v-log talking about a certain topic or a group video developing from what they learned at class.

Innovation in learning materials

Materials supporting English studying at STEP UP are considerable. The CEO is very proud of the database he built so far. Apart from documents imported from foreign countries, the R&D Department developed two innovative products which hit a success at the time launching.

The first product is *Truyen Chem* (mixed stories). These are, most of the time, short and funny stories (maximum one page), written in Vietnamese – the mother language. However, at some points, the Vietnamese words or phrases are replaced with English words or phrases. This helps learners see the context and predict the meanings of those words or phrases. After that, students are allowed to check if their predictions are correct or not. And then, the full English versions are also provided for learners to recall the words and phrases in English context.

The second product is called *Magic Flash Cards* – an innovation which created a hit in Vietnam in vocabulary learning. The set includes seven hundred cards, containing one thousand and five hundred words on both sides. The key difference lies in the entertaining story or picture on each card. In more details, one side of the card is a word, pronunciation and meaning, the other side has a funny example, for example, a hot topic in the world, a trend among the

young or an entertaining picture, etc. Through that way, the curiosity and excitement of learners are triggered; they can find surf twenty or thirty cards at once without getting bored since each card contains something different. After a few times with that, it is assured that the words stay in people mind in a relaxing way.

The third products are series of videos designed purposely for English learning under different approaches. Those videos are uploaded on the STEP UP's channel on YouTube, with over one hundred twenty-two thousand subscribers (STEP UP Channel, n.d.). The new approaches are under two constructs. First, STEP UP team covers Vietnamese leading-in-the-board songs with the lyrics translated in English, new words and explanations are shown in one corner (see Figure 4). Second, short movies in the hot social topics are constructed all in English language with both Vietnamese and English subtitles to make ease for viewers to follow. The reasons for making these videos are two-fold. Not only do they create the excitements for viewers to see the popular issues covering in English, but they also set the memorable contexts which allow viewers to memorize new words and structures in faster and more practical ways.



Figure 5 Display of a video covering a song by STEP UP

Source: STEP UP Channel – YouTube

4.1.3. Open Innovation Practices at STEP UP

For the course construction development, the CEO explained the needs to observe the lessons at class in person or through videos. Then, an internal KPI is employed to judge the

atmosphere of the class – whether it is lively or not. After that, the R&D team would reconstruct the lesson and class operation. The new methods are then tested on the centre’s learners who already experienced one or a few courses. This is done by means of offering them a free class and asks them to fill in the feedback questionnaire and ask them for their idea contribution and comments. Most of the time, the method testing and trial classes are operated five to eight times before launching the official service with different sets of learners. By that way, the centre can make sure that the final product received feedbacks and comments from the real “users” – which helps guarantee a more reliable outcome for the business.

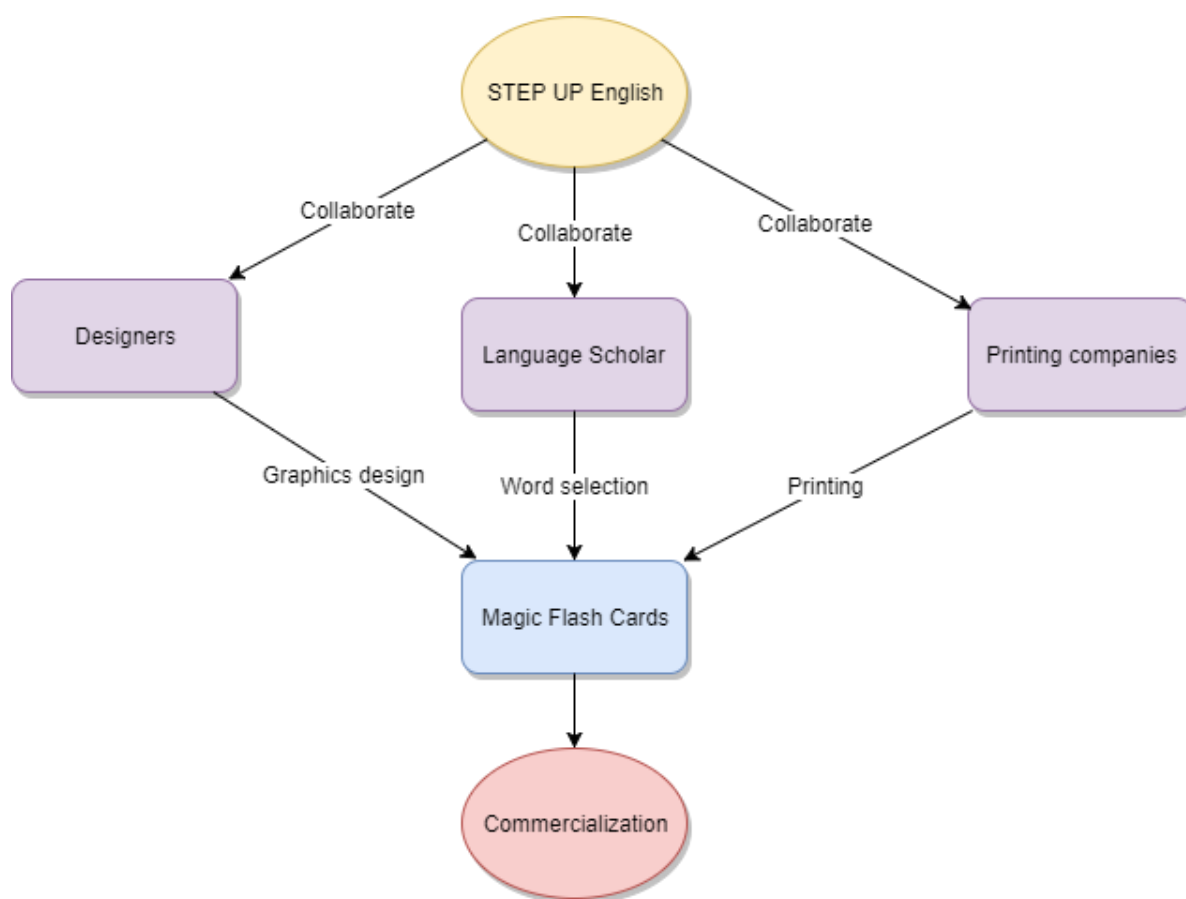


Figure 6 ‘Magic Flash Cards’ production chart

For the material development, the *Magic Flash Card* is a large project in comparison with STEP UP capacity. Thus, the CEO decided to collaborate with external sources. The basic idea was from the CEO; however, for the selection of words illustrated on cards, one scholar in language

field was invited to advice. The demonstration of words in terms of pictures, stories, examples also drove the capacity of STEP UP to a lacking; hence, a professional graphic designer was consulted for designing issues. In the final step which is the production phase, one printing company is contracted to finish the process and make it ready for commercialize. In summary, the innovative idea of the CEO was turned into commercialization based on the collaboration of the firm R&D Department with a language scholar, a graphic designer, and a printing company. Those partners get paid during the process of making. However, the final product outlet channel is limited to STEP UP English centre only.

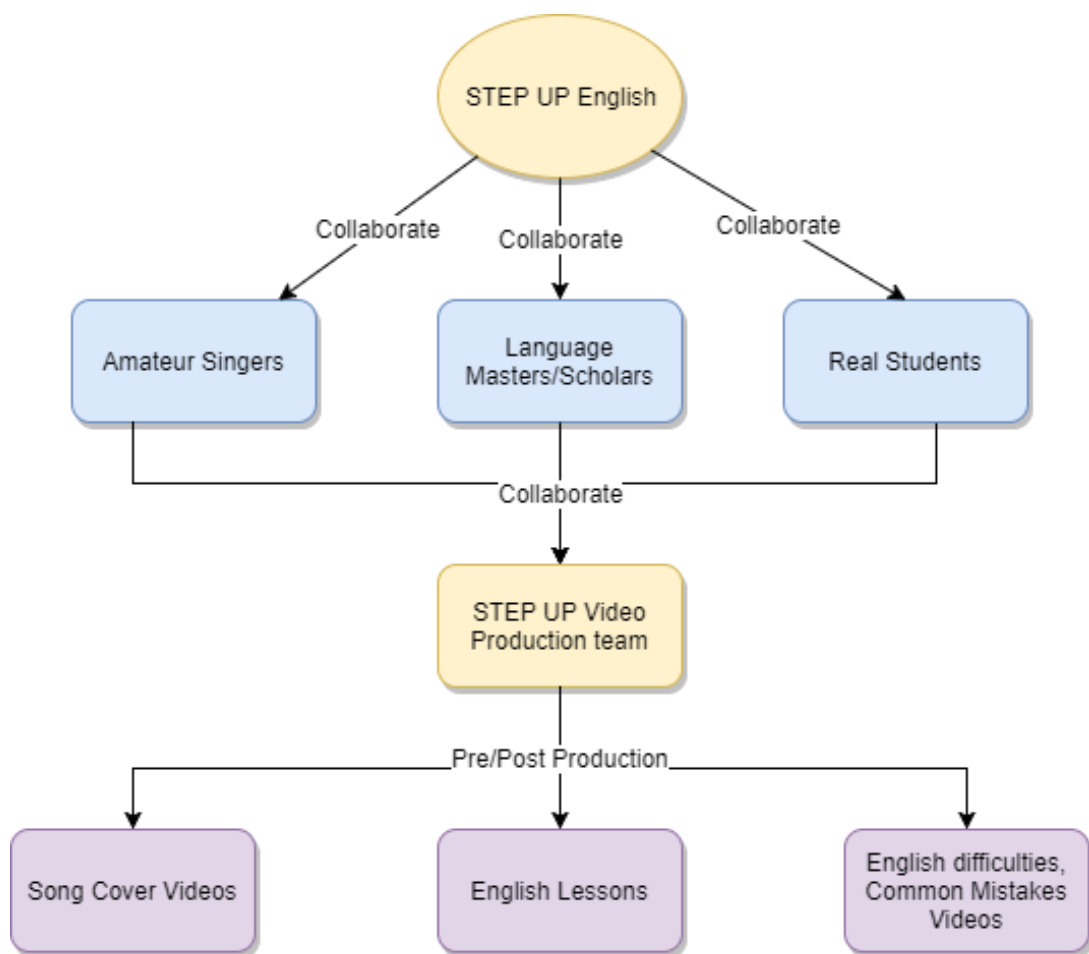


Figure 7 STEP UP's video production chart

Besides, in the process of producing videos relating English teaching, certain collaborations are needed to successfully develop the final products. As explained above on the new

approach of teaching English, the centre collaborates with different individuals and groups to have the most adapted videos for social access and understandings.

In addition, due to the limited capacity, STEP UP's facility and human resource could not cover all the jobs. There are more applications and demands for courses than the amount STEP UP can handle. Thus, STEP UP recently collaborated with a very young centre, which has good facilities but lacks of customers. Through this collaboration, the teaching methods of STEP Up are maintained and the partner company agreed to adapt the designing and room structure with that of STEP UP. There is also a clear contract on the commission and shares of benefits between the two firms after thorough communication.

4.1.4. OI impacts on STEP UP performance

At the moment, the methods applied at STEP UP are widely appreciated thanks to the efficiency and great benefits for learners.

Despite the practices applied at firms, the CEO shared that he never heard of the term *open innovation*. However, based on the experience with practices he has applied so far. He insists that the benefits outweigh challenges.

Benefits: The Magic Flash Card was originally designed purposely for in-firm use. Whereas, thanks to the efficiency and the new approach of vocabulary learning, the flash card set became an official product for public commercialization. The television news also broadcasted about the benefits and innovation of the vocabulary set, which helped the popularity of STEP UP increase drastically. Besides, in terms of course operation, when the CEO adapted comments and feedback of learners from trial class into the official method, it showed a positive impact on firm performance, resulted in a noticeable increase in customers after 6 months. The capacity of his centre and partner centre are effectively developed when they started collaborating, leading to a rise in turn-over.

Challenges: The success of the innovation also results in two managerial issues. First, the increasing learners' applications lead to the lack of in-firm capacity. Second, other centre

started to apply the same methods as the ones at STEP UP without asking for permission or patenting.

The first issue was tackled by the collaboration with partner English centre as explained above. According to the CEO, the second issue is considered as a normal practice in the market of Vietnam. When there is something good, lots of people will try to copy things without permission, and the role of law in those cases means very little. In his experience, protection from Government and authorities are too weak to rely on. The solution he suggested was improving the internal work continuously by means of developing the firm capacity, collaborating with one or a few other English centres so that you can have something so-called alliance.

However, there are also barriers lying in human issue. When STEP UP staffs selected learners for testing new method, they had to choose very carefully to avoid leaking out methods. The reason is a lot of newly start-ups invest for their staffs to attend class at centre which already had some popularity to copy the methodology. Thus, it is a must task to screen learners' profile before selecting them. In addition, choosing a collaborated partner raises several problems. Mr. Hiep Nguyen shared about this issue:

"If my company does not lack capacity severely, I would rather not collaborate. Often, everything goes well in the first few months, and then managerial conflicts began to take place due to different mindsets, working culture, financial and commitment issues, etc. You can openly communicate and work out together, but sometimes partners' attitudes towards problem-solving are not that positive."

The faulty collaboration may impact on the acceptance and satisfaction of our customers as well. In reality, there were students' feedbacks to STEP UP about the collaboration with new centre made them feel the quality was degraded. They argued that the new teachers did not understand the teaching methods properly, resulting in a downgrade of efficiency. They also added that the collaboration did not create them good feelings and atmosphere as before.

STEP UP Open Innovation		
OI Practices	Benefits	Challenge
<ul style="list-style-type: none"> • Collaborating with learners to test new teaching method • Collaborating with external companies and individuals to produce <i>Magic Flash Cards</i>. • Collaborating with external individuals (singers, scholar) to produce innovative training materials 	<ul style="list-style-type: none"> • Successful collaboration brings about success of <i>Magic Flash Cards</i> to be commercialized all over Vietnam • Increase in customers after implementation of the new methods • Diversity of innovative materials 	<ul style="list-style-type: none"> • Lacking in firm capacity • Competition firms copy teaching method without permission. • Selecting learners in testing class to avoid leaking IP. • Collaboration with partner reduce customer satisfaction

Table 3 STEP UP Overview on OI Practices and impacts on firm performance.

4.2. COMICOLA

4.2.1. Company Background

Nguyen Khanh Duong is a one of very few people pioneering in comic producing industry in Vietnam. He has been working in the area for 13 years, since 2004. In the beginning, the comic business of his was based on short-term projects. Despite having been actively working in the industry, until 2015, he registered the company and officially founded COMICOLA (stands for Comic Online Alliance) specializing in all process of comics and creativity production as well as encouraging the comic trends in Vietnam. This is a small company working mainly in comic production but also support creativity products with fifteen staffs in total. All creative products by different artists are introduced on the platform with clear Intellectual Properties (IP)

protection. This is a very rare case doing this since IP protection in Vietnam receives very low concern from Government and authorities. At the same time, COMICOLA offers programs and orientations for young talents whose dreams are to become comic artists. The comic industry in Vietnam is very young and fragile. There is not any help from the country. COMICOLA is the only company in the industry and face no competitors.

4.2.2. Innovations at COMICOLA

Innovation in creativity publishing

Since Vietnam is a developing country, comic and creativity of artists receive limited concerns and supports. Previously, there were a few comics successfully commercialized by large publishers but the success did not last long. The reasons were explained as the push and tough requirements from publisher preventing artists from freely create and develop their brainchild. COMICOLA acknowledged this and introduced new approaches in publishing for artists.

The flow chart below describes the model that COMICOLA is applying at the moment. In the first step, artists send their creativity products to the company. The company qualifies and categorizes those, and then determines the methods as well as the marketing strategy to send the products to public. The online platform of COMICOLA serves as an official channel for artists to publish their masterpiece to public, and public can benefit from free access to constantly updated comic library. For the ideas and creation with great potential, there would be further investments by COMICOLA to turn those into commercializing products, available to be bought straight from the platform.

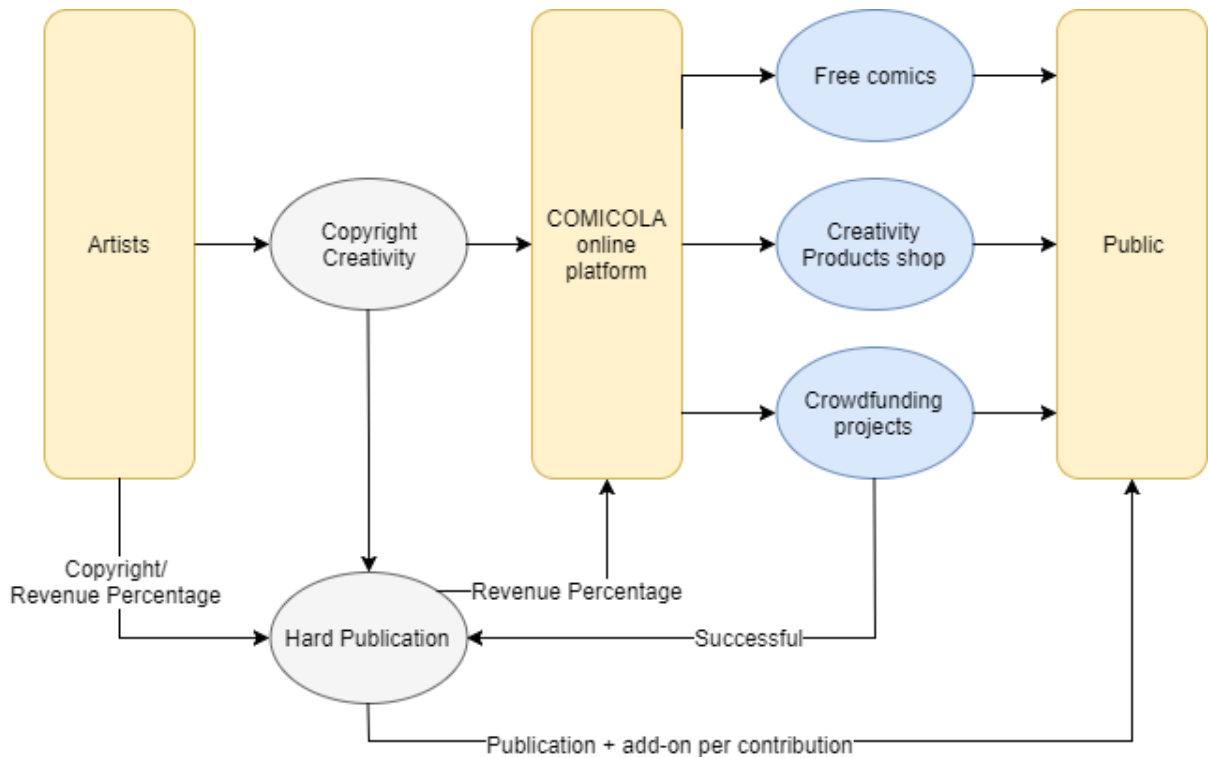


Figure 8 Business Model of COMICOLA

Khanh Duong is a very innovative CEO, who employed a variety of strategies in financial sourcing for his company’s projects. The strategy mostly used at COMICOLA is crowd-funding – a method of raising money from public, each person (backer) support a certain amount (ranging from small to large) to bring artists’ ideas into reality. Most of the time, backers can choose to support from fifty thousand Vietnamdong (two euros) to eight million Vietnamdong (three hundred and twenty euros). The larger funds that backers contribute, the more gifts and benefits they will receive. So far, COMICOLA have succeeded in ten out of eleven crowd-funding projects, but the largest success belonged to *Long Than Tuong* (Dragon Lord) - a Vietnamese history-based comic series in 2014. That is also the largest successful crowd-funding project in Vietnam. The project was run in two months, targeting at three hundred million Vietnamdong (around twelve thousand Euros) – which was a considerable amount in a developing country like Vietnam. At the time, there was a platform set up purposely for the project with all the related details and instructions for people.

Innovation in publications

Almost all publications at COMICOLA do not follow the traditional publishing process. The differences lie in the product development customized by artists themselves. Take *Saigon Pho* (Sai Gon city) - a pop-up book featuring symbolic landmarks of Sai Gon, Vietnam as an example, this is the first time ever a pop-up book was produced in Vietnam. The book contains thousands of mini details, all of which are hand-crafted. When a page is turned, a 3-D structure will pop up. The book is displayed in both Vietnamese and English, which is also very rare in publication in Vietnam. This makes the book become as a lively map of Saigon city as well as a high-quality souvenir for tourists. The idea of the book was from a group of five young artists, but then was developed into publication, commercialized and exclusively distributed by COMICOLA.

One more feature to note in publications at COMICOLA is the diversity of commercializing packages for one creative product. That means, when one product is published, there are several add-ons to the main publication to make different packages. The add-ons are also created by the main artists and authors to ensure the unification of the outcome products. Parallel, the price increases with the complexity of add-ons.

4.2.3. Open Innovation Practices at COMICOLA

Towards the questions relating *Open Innovation*, the CEO said it was the first time he ever heard of the term. However, he admitted that most of works at COMICOLA are based on innovation due to a severe shortage in resources and most of the time; the company needs external collaboration to successfully carry out a project. As explained above, innovations at COMICOLA are elaborated in two areas: Creativity Publishing and Publication, thus, the open practices will be analysed accordingly.

OI in creativity publishing

In the work of publishing artists' products, COMICOLA works as an intermediary. According to the CEO, the copyrights and IP protection laws in Vietnam are little understood, artists used to struggle to publish their work. The traditional way was to upload on a few forums or on personal blogs. This limited the author's rights since people kept sharing, re-posting the art-

work without permission or citation. Thus, despite the popularity of the creativity products, the artists are little known, paid or rewarded. As an intermediary, COMICOLA ensures with all the publication online, the artists get maximum benefits. To be clearer, if the creations of artists are free products, like comics or funny pictures, etc, artists' acknowledgements and author rights are fully delivered to public and protected by the firm. If the creations are commercializing products selling at creativity shop, COMICOLA will be in charge of commercializing phase. The final products are under the name of the authors but belong to the use of the company. The revenues gained will be divided between artists and COMICOLA upon contracts.

In addition, all production works of the COMICOLA rely on external firms since the size of the company is limited in just fifteen members. Working with partners is a must because it does not have the resources to produce everything. Based on the IP the firm owns, the CEO collaborate with machining firms, for example, printing, T-shirt production, model production, etc. Once an idea or creation is selected to be mass produced, the author and company team would work together and finalize the product before sending for a sample produced. The CEO added that usually, for one production process, he had to work with three to five partners at the same time. This is because the artistic products usually contain several requirements, and to ensure all parts are as author and company's expectation, a number of outsourcing firms are employed at the same time.

Besides, as mentioned above, crowd-funding is a method largely applied by COMICOLA. The tightened budget sometimes prevents the company from producing potential and high-quality products. Thus, relying on contribution from public is a strategy which not only helps to solve the financial problems but also allow artists to create independently and more freely from Publisher's requirements. COMICOLA is the intermediary, who determines the selection of creation for crowd-funding project. Then, the company sets up a user-friendly crowd-funding platform to professionalize all the project operation steps, such as: publicizing the projects, calling for supports and everyday update on financial contribution, etc. COMICOLA is also in charge of determining different contribution packages. With each supporting amount from small to large, backers receive appropriate gifts correspondingly. Once the project is

successful, the production will be started immediately. COMICOLA will, then, have the responsibility to update information relating use of capital, development of project so that backers as well as public can keep track of the process. After the launching the products, backers will receive their gifts and turn-over would be divided between COMICOLA and artists. To have a clearer and deeper look of the crowd-funding practices at COMICOLA, the figure below shows the display of ongoing and finished (both successful and unsuccessful) projects. Through the constant updates online, viewers as well as backers can always know the progress of projects, number of contributors, and the valid time to contribute before the project expiration date. Since all projects at COMICOLA guarantee to return people’s supports in case of failing the target, the display of progress online also serves as a reference for backers to keep track with the contribution and projects’ situations.

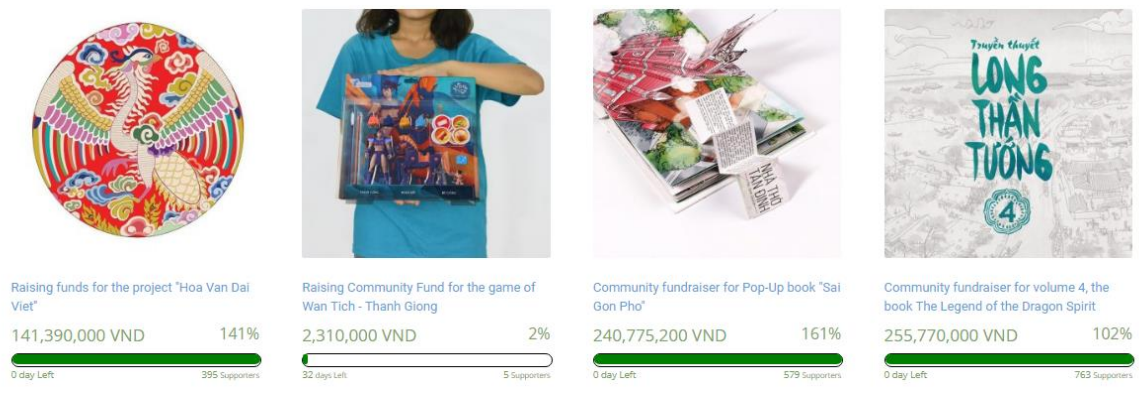


Figure 9 Display of community fund-raising projects at COMICOLA

Source: (COMICOLA, n.d.)

In addition, to encourage backers to support more actively, COMICOLA is also in charge of developing different contribution packages. The amount of money that people support will be divided into different levels with suitable gifts in return when the project is successful. The figure below shows a part of different levels of supports for the community fund-raising project for volume 4 of *Long Than Tuong* (Dragon Spirit) comic book – the most successful product of COMICOLA so far. To support the project, people can decide which amount they would go for based on the information illustrated on each level. There are also pictures of the gifts available on website to make ease for people in their selection. The rest of the supporting

process is just as simple as making online purchase: drag the supporting package in the bag and make transaction.



Figure 10 Levels of supports for the 'Long Than Tuong' book, volume 4

Source: (COMICOLA, n.d.)

OI in publications

There are several OI practices identified in the publications.

First, it is the collaboration between the artists and staffs at COMICOLA. The authors' rights belong to the artists; however, the publication is under the protection and operation of the company. The role of the artists is only in the creation process to ensure the freedom and

independence of arts is maximized. This can be seen as the Research and Development (R&D) work are divided between artists and COMICOLA respectively.

Second, there are certain cases that artists and COMICOLA work are not adequate to bring about the final products. To clearly illustrate the practice, the author would like to zoom in the most successful project of COMICOLA so far, which is also the most successful community fund-raising project ever in Vietnam. *Long Than Tuong* (Dragon Spirit) – the historic comic series is the example. The main artist cannot cover the whole work of drawing, and thus, an external artist is selected to work with him on the drawing part. However, since this is a product with history related, the precision of the past is a must. Thus, a historic scholar was also invited to involve in the process of production. The R&D work in this case requires more than just artists and COMICOLA but also external partners.

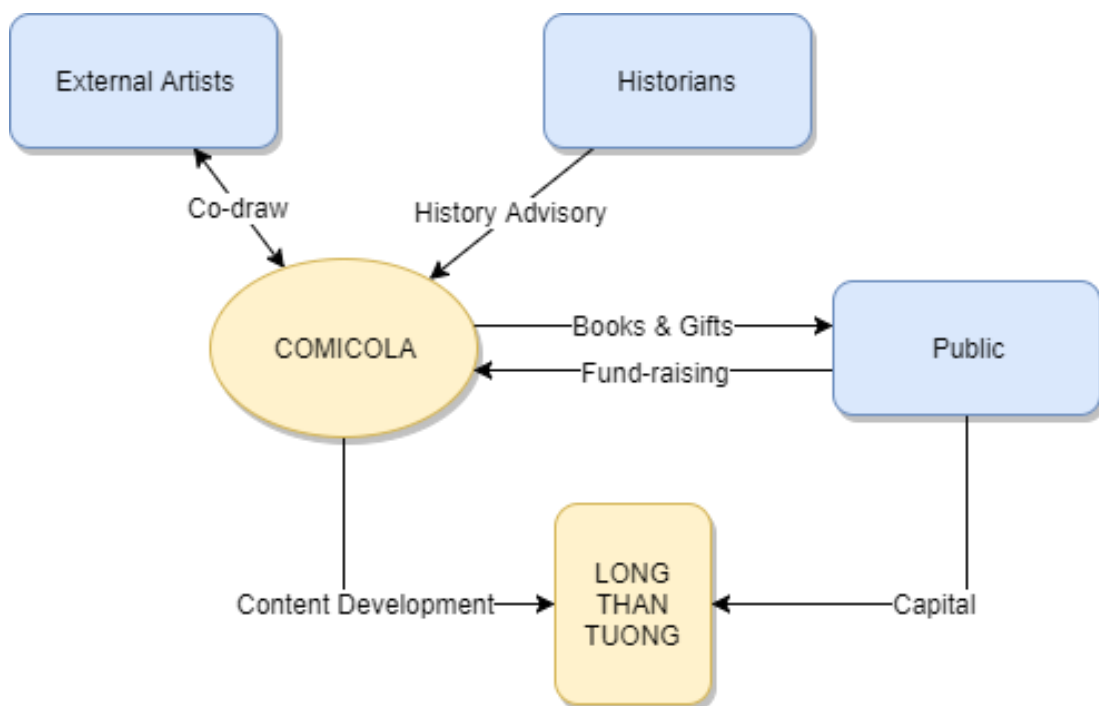


Figure 11 Long Than Tuong production chart

The chart represents a common activity at COMICOLA, the crowd-funding project. To have finance to support the development of final products, COMICOLA relies mostly on community fund-raising to have capital. That will not only allow the creativity of artists to go under no

pressure and push but also allow public to really involve in the production process of a product. By that way, public's awareness and understandings of the product will be enhanced.

Third, there is also inbound OI practice identified in the publication from COMICOLA. That is seen from the *Hoa Van Dai Viet* (Ancient Vietnamese Art patterns) vector Collection. This is a project that uses vector technology to reconstruct the entire Vietnamese ancient patterns. The objective is to create a rich source of material for artists, creators and culture in Vietnam so that they can have a digitized database of Vietnamese-specific cultural works of stature, against the invasion of culture of neighbouring countries. Thus, after being successfully developed, the final kit including two hundred file vectors of different dynasties over history of Vietnam will be distributed for free to individuals, communities and organizations (COMICOLA, n.d.). That means, all designers and artists can access and freely use the vectors for their personal purposes.



Figure 12 'Hoa Van Dai Viet' vector collection access on COMICOLA platform

Source: (COMICOLA, n.d.)

The development of the *Hoa Van Dai Viet* vector collection was upon the collaboration of COMICOLA with *Dai Viet Co Phong* Team – a team of historians and researchers working on recovering and restoring the patterns used in the past. While the team works heavily on the historical patterns, artist and graphic workers at COMICOLA works with the technology to

reconstruct them into vector files. At the same time, the technical and marketing team at COMICOLA work on the community fundraising project to have capital for the project.

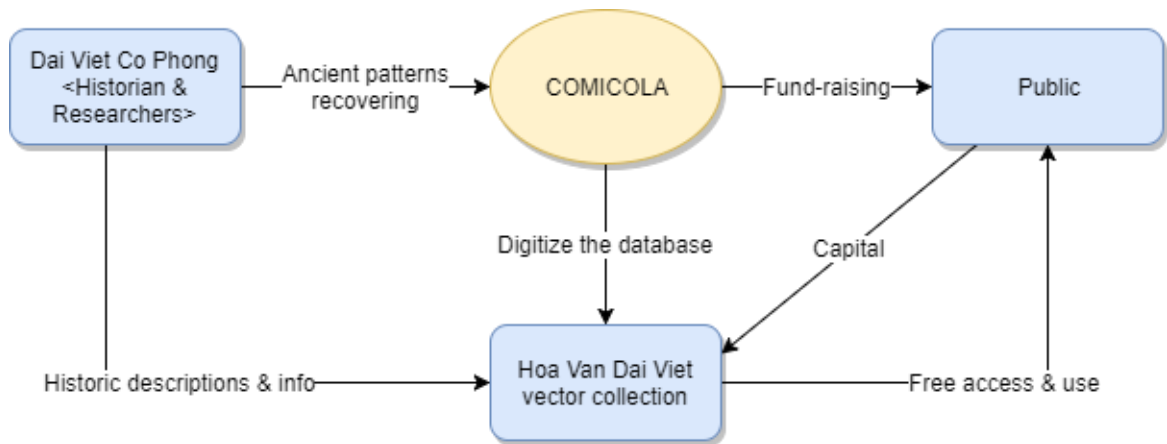


Figure 13 'Hoa Van Dai Viet' vector collection production chart

4.2.4. OI impacts on COMICOLA performance

In the interview with the CEO, when being asked about the challenges and benefits of the strategy COMICOLA is applying, he shared that the challenges were several since COMICOLA is the only firm in the industry, but benefits seem to be larger than that.

Benefits:

The benefits for implementing OI strategy at COMICOLA are seen in five aspects: firms' popularity, firm's database, network extension, revenue, and customer relationship.

First, the popularity of the firm was developed a lot since the firm officially published copyright comic for free for public access. Not only are artists better recognized and encouraged to develop their creation, but readers are also given a reliable platform where they can access their favourite books at the earliest updates. Thus, popularity of COMICOLA is greatly increased among both artists and readers.

Second, the database of comics, creative products and artists registering at COMICOLA also witnessed a sharp increase since its foundation. Thanks to the CEO's philosophy of business which is to encourage the creation of artist to the maximum level along with the protection

on authors' rights when sharing with public, the company attracted more and more artists and creation.

Third, the production work at COMICOLA requires the collaboration with external partners as mentioned above. However, the complexity and demands of artists are various. Thus, the CEO and his staffs had to make great efforts to seek and work with several partners. The company currently has a wide collaboration network in a lot of areas. In a developing country like Vietnam, having a wide network facilitates the business running to a great extent.

Fourth, with certain successes so far, the firms have generated increasing revenue over the time thanks to the diversity of creative products sales online as well as the success of large projects. The financial situation of COMICOLA is now step-by-step improved and developed, according to Mr. Khanh Duong.

Last but not least, the ten out of twelve-successful crowd-funding projects clearly made a tremendous impact on firms. Crowd-funding is a way of filling the gap between creators and their public. People can participate in the process of building a project from the very first step. They are encouraged to support, comment and be a part of the production phase. Thus, the connection between COMICOLA and its customers is close. Since they invested a part in the production of a certain product, they became more responsible and concerned for the success of it.

Challenges:

Explaining challenges to the business practices, the CEO categorized those in three main areas: convincing public, payment method and partner selection.

According to the CEO, the largest barrier in implementing crowd-funding is to convince public. Although this strategy is very popular in the developed countries with websites like Kickstarter or Indiegogo, it is quite new to a developing country like Vietnam. There are several reasons for people to not support the project. Most of which comes from the scepticism about financial transparency.

Besides, difficulty in payment facilities is also a barrier to the crew. In Vietnam, there is not a really popular tool for online payments. Building a payment system for crowd-funding website is more complex when it comes to a variety of tools. While in the world, intermediary payment channels like PayPal are so popular and convenient.

Thirdly, partner selection is challenging to COMICOLA. The CEO shared that for machining firms which are in charge of simple task like printing and manufacturing certain parts of the end-products, the collaboration is smooth and simple. As long as the communication is successful, the requirements and expectation are clearly shown, and then there would be not many concerns. However, it is difficult when selecting partners of research areas. First, locating the correct research area, then zooming in their main profiles and testing the collaboration are main steps for the partner search work. However, the collaboration is not always effective due to the difference in working style and approaches.

COMICOLA Open innovation		
OI practices	Benefits	Challenges
<ul style="list-style-type: none"> • Intermediary of artists and public in publication & commercializing phase. • Collaborating with external firms to produce final products. • Operating crowd-funding projects for artists' potential creations. 	<ul style="list-style-type: none"> • Firm's popularity improvement • Increasingly developed database in creations and artists. • Extended collaboration network. • Close relationship with customers 	<ul style="list-style-type: none"> • Convincing public • Weak payment method. • Partner selection.

Table 4 COMICOLA Overview on OI Practices and impacts on firm performance

4.3. Ha Beauty

4.3.1. Company overview

Lamdepcungha.com is a beauty blog being famous in Vietnam since 2009. The blogger is a woman who has experimented natural beauty remedies on herself and write to share tips with public to encourage the trend. Her philosophy is: *“The true beauty comes from the kitchen”*. After two years working as a beauty blogger, she became very famous thanks to the efficiency of the tips proved by several women. She started her business in home-made coconut oil and hand-made lip balm. Those two products hit a huge success which encouraged her to register as a micro enterprise in 2014 in the beauty industry under the name *Ha Beauty* (Ha is her call name). The company currently has five employees working mainly in R&D and product distribution channel.

4.3.2. Innovations of Ha Beauty

In Vietnam, as well as many other countries in Asia, a fair, flawless skin is extremely trendy. The cosmetic market is filled with various kinds of whitening cream, for face as well as for body. With the emergence of conflicting researches and scientific evidences in cosmetic industry ingredients, consumers are becoming wiser and pickier. They demand for a natural remedy or a type of cream which nurtures skin, at the same time helps enlightening skin tone. *Ha Beauty*, with the background on natural beauty for several years, developed products that help hydrate and enlighten skin tone, and especially from all-natural ingredients. So far, there have been four innovative products being commercialized by the company. The first is also the one that made *Ha Beauty* popular in the cosmetic industry of Vietnam – it is the hydrating lip balm. Instead of using industrial ingredients like petroleum jelly and mineral oil to save the cost, lip balms at *Ha Beauty* are hand-made from home-made coconut oil (which guarantees the purity and origin of the oil – in Vietnam, home-made coconut oil is a very popular trend, people believed that home-made coconut oil is far better than industrial coconut oil). The next three products were launched to market in recent time, including: Whitening Body Lotion,

Recovering and Enlightening Face Serum and Enlightening Face Cream. The three products were remained to use all ingredients from natural. Instead of the chemically treated additives, the owner managed to use the scientifically improved good-for-skin ingredients in the natural forms. For example, Kiribith from Japanese seaweed is a substance proved to help anti-aging and acne proof and background oil as Argan oil. Besides, containers of cream are air-compressed containers which prevent the cream exposing to air to avoid oxidizing and bacterial invasion.

All the home-made skincare products at *Ha Beauty* were tested by Vietnamese Medical Institute to ensure safety and non-irritation on skin before launching in the market.

4.3.3. Open Innovation Practices at Ha Beauty

Since *Ha Beauty* is a young micro enterprise with only five staffs. All the work relating production of the end-product requires external sources.

To develop the company IP, *Ha Beauty* collaborated with two partners. One is a physicist who developed several researches on natural beauty remedies. The purpose of working with this scholar is to increase the precision and application of the internal knowledge and understandings. The second one is a laboratory from which the testing of *Ha Beauty's* remedies and IP is carried out. These partners help the company in research and developing the IP needed for developing the products.

In the production phase, *Ha Beauty* also collaborated with various partners. Since the ingredients needed requires certain level of purity and biologically index that Vietnam market cannot offer, the company had to rely on Japanese partners whose precision and quality are high and guaranteed. The company has a number of Import partners for importing different ingredients. Also in the production process, *Ha Beauty* collaborates with a cosmetic manufacturing company to have them produce skincare cream based on the company's IP.

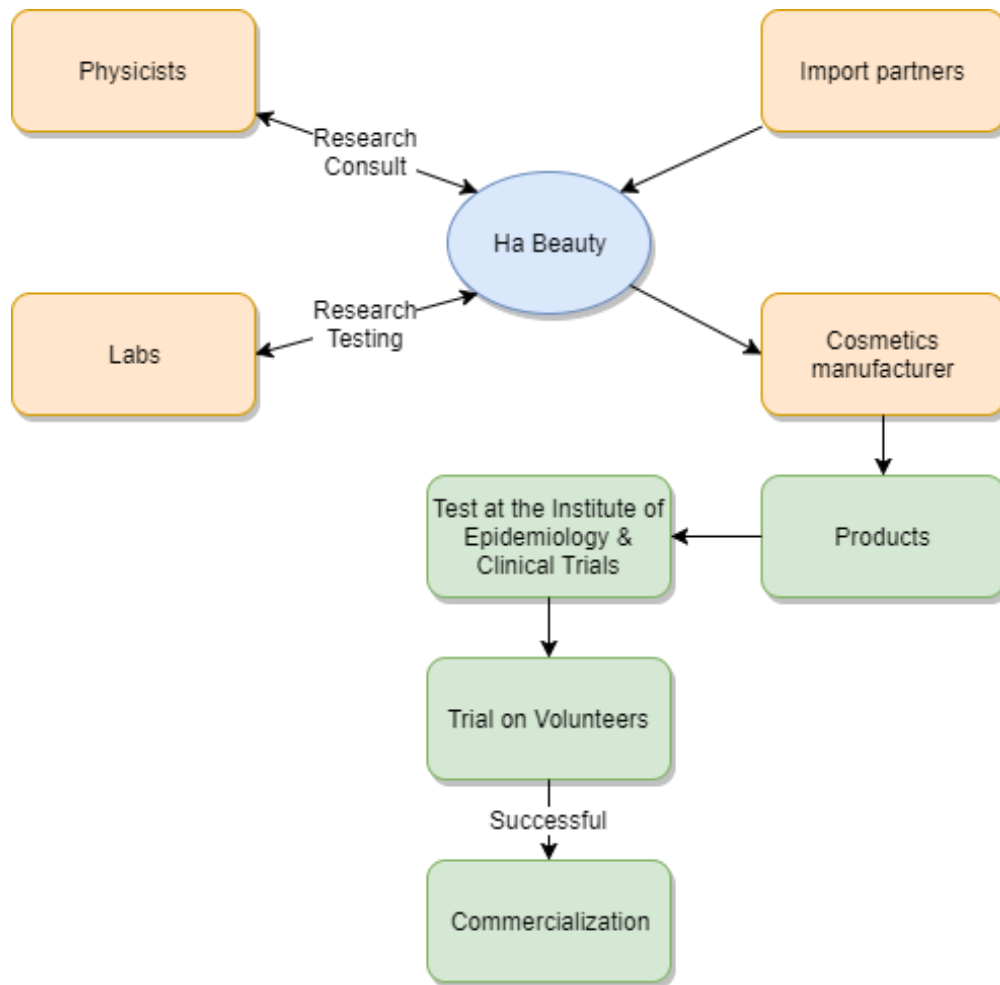


Figure 14 Business model of Ha Beauty

In the trial phase, it is when the end product comes out, after being examined at the Institute of Epidemiology and Clinical Trials and proved safe, the product is distributed for free trial among volunteer users. Most of the time, it takes up to two months for this process, to really see the impacts or side effects of the product on users. The users are categorized into different skin types and specific allergy situations. After a certain amount of time of testing the cream, the feedbacks and comments of those volunteer are collected. Then the company will determine whether the product needs adjustments or modifications before commercializing or not.

4.3.4. OI impacts on Ha Beauty performance

Being a micro enterprise working in cosmetic manufacturing area puts collaboration in *Ha Beauty* business as a must. Sharing about the impacts on firms, the CEO expressed that no success can be achieved without the cooperation with external partners. Financial issue is not a problem that *Ha Beauty* encounters, however, human resource and facilities are those that such a micro firm finds lots of challenges to deal with.

Benefits:

The benefits of OI in *Ha Beauty* performance are clear. Those were recognized in all aspects of the business.

First, the external knowledge from the physicists and the exploitation of external facilities help improve and standardize *Ha Beauty's* IP in a great extent. With such an IP which was scientifically proved, in the Vietnamese economic context, the firm owns great competitive advantage. Customers' trust and attraction are increased thanks to the reliability of the product they use on their skin and body.

Second, having an external company responsible for manufacturing the end-product helps *Ha Beauty* save a lot in financial resource. There is no need to invest in purchasing high-precision machine and pay for depreciation, the work based on contract helps the management role lessened and CEO can focus more on IP development.

Finally, having a large database of loyal customers who are ready to test the end products helps increase the reliability of product by real feedbacks and results from real users. This has large influences on the increase of purchase as well as savings on marketing costs. This is thanks to the word-of-mouth impacts; volunteers who experienced good results from the products may write their own reviews and upload on their personal blog page. That creates a trend among online users who have connection with people from the volunteer team. Thus, the CEO shared that marketing costs that her company has to cover is very low.

Challenges:

In general, the challenges exist in both IP development phase and production phase. Most of which are related to cultural difference in working style and quality of partners.

In cooperation with laboratory, no staff of *Ha Beauty* is allowed to involve in the testing and experimenting work. Thus, it results in long waiting time for certain results that prevent the whole process to move onto the next step. Sometimes, because of this, the expected launching date was delayed and moved to a later time. This negatively impacts on the brand image of *Ha Beauty* since the firm failed to launch the product in time as promised to its customers.

In addition, partner selecting is also a barrier for the firm. It is a difficult task to find a laboratory that agree to experiment small projects like those of *Ha Beauty*, thus, the switching cost is very high. At the same time, there are not many cosmetic manufacturing companies in Vietnam, not to mention that those companies need to meet certain requirements of *Ha Beauty*. As a result, partner choice is limited to the company.

Besides, in collaboration with cosmetic manufacturing firms, *Ha Beauty* encountered the cultural conflicts. Due to the fact that those firms are accustomed to produce cosmetics from low-priced ingredients, their habits on the use of resource are wasteful. While *Ha Beauty's* ingredients are imported under high taxes, with high quality and at a very high cost, that culture of manufacturing results in large financial loss for the company.

The last barrier is from the volunteers who test and feedback the product. Even though there is a contract tightening terms between the company and users, some people takes the chance to degrade the product's quality in their sharing to impact on public. Most of those are from competitor companies. However, those cases are not too often and usual.

Ha Beauty's Open Innovation		
OI practices	OI impacts on firms	
	Benefits	Challenges
<ul style="list-style-type: none"> • Collaboration with physicists and labs for IP development • Collaboration with manufacturing firms for IP production • Users' testing and feedback before commercialization 	<ul style="list-style-type: none"> • Improvement and standardization of internal IP • Financial saving in terms of manufacturing resource • Financial saving in marketing costs thanks to users testing strategy. 	<ul style="list-style-type: none"> • Lack of access in laboratory use resulting in delayed launching products • High switching cost in partner selection • Culture conflicts with manufacturing firms in production habit. • Users defame the brand

Table 5 Ha Beauty Overview on OI Practices and impacts on firm performance

4.4. Cross-case analysis

In this section, the findings from the cases above will be compared to highlight the commonalities and discrepancies.

The common characteristics of OI in these companies are quite salient in table 6. First, as mentioned in Chapter 2, section 2.3.3, Innovation in SMEs in Vietnam, Vietnamese firms often misunderstand innovation and invention, their understandings of innovation, open innovation in specific, are very limited, if not at all since this is a rarely studied topic in Vietnam. Second, government supports barely reach SMEs in general and their innovations in particular, as well as IP protection is underestimated since piracy is an acute issue for any company that tries innovation. Furthermore, the deep-rooted lobbying custom makes it difficult for companies

to protect their own innovations. Third, types of partners are quite diverse, depending on the industries. Fourth, most OI are in-bound, out-bound only exists in 1 of the 3 cases, this means OI benefits are yet to effectively expand beyond the company that intend to create OI.

	STEP UP	COMICOLA	Ha Beauty
Purpose for OI implementation	n/a	n/a	n/a
OI practices	Collaboration to create new teaching methods as well as learning materials	Crowdfunding artistic projects and serve as the intermediary among multiple parties to create OI	Collaboration with multiple parties to create new commercialized cosmetics.
In-bound OI	Yes	Yes	Yes
Out-bound OI	No	Yes (vector collection)	No
Type of partner	Individuals (learners, singers, scholars...) Organizations (printing firms)	Individual (historian, artists, readers) Organizations (printing firms)	Organizations (testing labs, manufacturing firms) Individuals (users)
Understanding about OI	No	No	No
Government supports	No	No	No

Table 6 Cross-case analysis on OI implementation

	STEP UP	COMICOLA	Ha Beauty
Lack of resources	Excessive demand for courses	n/a	Lack of access to R&D facilities
Partner Selection issue	Avoid leaking innovation when screening learners.	Locating correct research areas partner and ineffective collaboration	High partner switching cost.
Public not supporting	n/a	Crowdfunding is a new concept. The Vietnamese is still getting used to online purchasing	n/a
Lack of IP protection	Ambiguous government reliability	Few competitions make the lack of IP protection less significant	Ambiguous government reliability
Partner cooperation issues	Loose alliance of English centres, unreliable learners	Unattractive immediate revenue	Manufacturers are repulsive to using high quality raw materials
Weak transaction method	n/a	Online payment methods are limited and inconvenient	n/a

Table 7 Cross-case analysis on OI impacts on firms in terms of challenges

The above table illustrates the challenges that companies are currently facing. Most of them have partner issues, regarding selection and cooperation. This is due to the leakage of IP via partners or selecting the correct partner for OI creation... In addition, there is a lack of IP protection, mostly from the authorities, which is also mentioned above.

	STEP UP	COMICOLA	Ha Beauty
Increase popularity	Increased attention created by new teaching methods	Both artists and COMICOLA gains popularity from free quality comics	High quality domestic cosmetics attracts attention.
Diversify products and services	Innovative study materials	Only limited by the artists' capability.	Increase quality and raise standards of cosmetics
Extend business network	Alliance of English centres	Close collaboration between researchers, historians, artists and COMICOLA	Save resources from collaboration with partners
Increase customer loyalty	n/a	Gain public trust from successful crowdfunding projects	Products trial help gains users' trust and increase public relation

Table 8 Cross-case analysis on OI impacts on firms in terms of benefits

The common benefits that OI brings to these companies are the increase popularity, both among customers, partners and suppliers. In the case of COMICOLA, not only readers are attracted by their comics, artists are also engrossed by the platform where they can safely participate and benefit. Additionally, OI increase the diversity of products and services for companies in different aspects and extend their networks, mostly in terms of partners, since it requires close collaboration with external parties to create OI. Finally, as a result of openness to research partners as well as considering customers a type of partner, their loyalty increases as well as mutual trust.

CHAPTER 5: DISCUSSION AND CONCLUSION

This research was conducted in response to the inadequate OI literature on small firms, especially in start-ups. Thus, the main objective of the research is to identify and clarify the implementation of open innovation in start-ups as well as motives and challenges that they suffer during the OI implementing process. In addition to that, an attempt to offer a guideline for start-ups to implement OI in their business strategy is made.

Thus, the next parts will offer an overview and conclusions on the findings so far. The Conclusion part sums up the key findings with trends and significant tendency in the application of OI practices in the three research companies. The Theoretical Implications and Managerial Implications highlight the new theoretical insights and recommendations for entrepreneurs and government. Lastly, the limitations and suggestions for future research describes the constraints in the author's research methods and recommend the new approaches to the issues.

5.1. Conclusion

SMEs are often collaborating in forms of alliance to gather complementary competencies, share risks and create synergies (Lee, et al., 2010). This master thesis analyses in-depth the OI practices performed at three small and micro companies in Vietnam in different areas. The main objective was to identify the strategies that firms are applying, analyse the benefits as well as challenges that firms have encountered during their implementation of the approach. Based on the analysis above, the following conclusions are proposed.

First, according to the data collected, the outbound process of OI is seemingly more widely implemented. This approach helps SMEs to improve their internal knowledge by properly implement knowledge contribution from outer sources, such as: users, partners and technologies. This can be linked to Vietnamese cultural entrepreneurship which highlight individuality and pay less regards to the collectively (Tran, 2017). That means, Vietnamese

entrepreneurs tend to care about their individual development rather than sharing to encourage the whole society to grow together.

Second, the research findings are in line with the theory of Gassman's (2006) and van de Vrande et al. (2009), which is a widely-applied strategy among SMEs is to integrate users, suppliers, and partners in the network (Gassmann, 2006) (van de Vrande, et al., 2009). This is clearly seen in the three cases above. Partners are an irremovable part in the SMEs' business as they are in charge of almost every phase. Users play important roles in all processes, especially the refining products before commercializing. By combining those attributes, the business model of the SMEs is complete.

Third, OI practices are pursued by SMEs mainly because of commercial activities (van de Vrande, et al., 2009) and SMEs' strong points reside in invention but weak points lie in resources (Lee, et al., 2010). This is clearly seen in COMICOLA case, the firm owns a large IP database but lacking in resource to publish. The STEP-UP centre operates free classes to test new teaching methods in order to gain feedbacks and comments of students to more exactly define customer needs. Ha Beauty relied on external knowledge and facility due to the lacking of internal resource as well.

Fourth, in Vietnam, the OI practices are commonly performed in young companies with certain intellectual properties to share risks. The reasons for this are several. Due to the large number of start-ups and SMEs in recent years, plus the weak protection on IP and copyrights from Governments and authorities, IP of SMEs are easily copied and multiplied by their competitors. Thus, to survive in such complexity, firms tend to collaborate to increase capacity to develop and evolve together. It can be seen through young artists refer to COMICOLA to have their authors' rights protected, and STEP collaborates to enhance capacity to further develop their IP.

Fifth, despite a lot of actions that Government has done so far, there was no Government role in firm performance recorded in the studies. The three firms all confirmed that they got no help from Government and carried the work all by themselves. That is also another push for them to take part in the OI strategy to survive and develop the business themselves.

Sixth, the users' roles in SMEs OI practices are undeniable; however, there are pitfalls to some extents. Chances are user leaking IP before launching time, or defaming the company's brand images. Although it is not a usual case, those do exist in Vietnam economic business. Competitor may play as a loyal customer of one company and involve in certain processes of the firm to have information or advantages in competing.

Seventh, partner selection is considered to be a considerable challenge for SMEs committing in OI practice. There are numerous reasons leading to this, but in general, those reside in different working style, cultural conflicts and the fact that customers are not acquainted to the new change or collaboration.

Eighth, despite the application of OI practice, the theory of the term is little known by entrepreneurs. None of the interviewed CEO shows their understanding of the terms, despite the Government's efforts on bringing the new knowledge in seminars and workshops. That also supports the fact that Government's role is limited among SMEs.

Lastly, the OI practices and managing the collaboration among SMEs, to some extents, are not operated structurally. The needs to collaborate rise from the lack of competences inside firms and was not managed thoroughly. The practice of changing partners or maintaining a key partner lack specific reasons or a certain KPI.

5.2. Theoretical Implications

In this master thesis, the findings are in line with several literature reviews illustrated above.

The argument that OI has become a popular business strategy in several industries by (Dahlander & Gann, 2010) (Gassmann, et al., 2010) (Huizingh, 2011) was proved in this research. The three research industries are Education, Comic and Creativity Products, and Cosmetics Distribution, which are varied and new in the OI research in general.

In general, start-ups face several barriers in developing themselves closely; those encourage them to be open to develop. Their motives are in line with the literature reviews above. The companies employ OI strategy because of commercial activities (van de Vrande, et al., 2009).

And, among the three firms, their advantages lie in the innovations, not the commercialization. Which is also in line with Lee et al. (2010)'s argument.

Besides, the administrative burdens and conflicting rules in the law of the country is a barrier to firms. CEOs acknowledges the loose ties of laws on protecting IP of companies, thus, they become very reluctant to openness. That leads to a great lack of resources internally to develop.

The findings of the research on barriers to innovation among start-ups are also in line with that of (Larsen & Lewis, 2007). Those are financial constraints, competitors who are constantly copying the innovation, lack of protecting intellectual property, lack of complementary assets like production facilities and access to distribution channels.

In addition, in terms of capturing value, the research findings are in line with the conclusion of Vanhaverbeke et al. (2012). 'The combination of different fields of expertise to develop a new offering can lead to attractive profits as long as company can protect (or hide) a specific part of the total solution from its partners and potential imitators' (Vanhaverbeke, et al., 2012). This value capturing was clarified and explained above through figures of the three firms.

The research also finds a barrier which has not been covered in the literature review. Since the practice of having real users test the product or service is popular, many competitors try to grab the chance to defame and review ill of their experiences with the test. This is an unfair competition, but happens quite popularly in Vietnam. Hence, the users selection aspect is also one barrier that entrepreneur should take into consideration when applying the OI practices with real users.

5.3. Managerial implications

Based on the conclusions above, I propose three managerial implications for SMEs in Vietnam to consider when applying OI practices.

First, the benefits of OI are considerable. Not only does the strategy help SMEs to solve capacity issues, but a lot of other matters relating to firm internal resources as well as

competences are also tackled. The business environment in Vietnam is constantly changing and evolving, thus, to sustainably develop under limited competences and resources, SMEs should collaborate and create an alliance to co-develop. However, firms need a good control to what extents should they be open since opening too much may negatively influence on firms themselves. Especially under weak protection on IP and copyrights condition in Vietnam, being involved in openness too much, or relying on external sources too much that cause lacking in in-firm core innovation both endanger firm performance.

Second, in applying OI strategy, my suggestion is firms should build a fixed set of criteria in selecting partners and develop a structure to manage the network more professionally. Based on the data collected, the partners were selected mostly by the urgent needs of firms and the main criteria concerned is on financial aspect. However, to sustainably cooperate and co-develop and to stay away from pitfalls and conflicts happening during collaboration, the commonly used method is vague. Besides, in the case of having a network with several partners, according to the data, there were no structure to manage partners and level of success of the network. Hence, a structural model to manage network and a KPI judging the level of success of collaboration are suggested for firms to consider when participating in OI network.

Third, the suggestion goes to the CEO of the SMEs. As the leader of the company, the role of CEO in pushing the staffs to actively involve may help to avoid pitfalls in collaboration with partners. As the OI strategy require the work with external partner company a lot, having an open attitude to adapt with new company culture and new working style may guarantee a better collaboration.

Fourth, according to Figure 1, the two most significant constraints for SMEs in Vietnam to grow recorded in 2015 were Shortage of capital/ credit and limited demand on current products. In addition, Figure 2 shows the main sources of finance employed by SMEs, with the two most popular sources are own capital and bank loan or other formal financing. That implies the tendency of being close to develop rather than relying on partner for the financial aids to co-develop. To tackle those problems, collaboration for innovation and commercializing issues is

a key solution. The development and success of the three research companies proved the effectiveness of the openness in doing business and develop products with partners. Thus, this opens a way for SMEs, especially start-ups to open to grow in such business situation in Vietnam.

Fifth, despite several efforts and supports to encourage SMEs operations in recent years, Government's role in the assistance and supporting start-ups is not recognized and received by firms. As illustrated in the literature review, business portals and seminars providing information and rising understandings of doing business are promoted by Government as well, however, the impacts on firms and CEOs are not very significant. Thus, this role needs redefining. To increase the reliability of Government in the start-ups' point of view, the author suggests three approaches. First, there should be stricter and more serious laws and policies upon intellectual properties protections. One of the challenges that firms, especially start-ups face is their IP being copied and used under no protection. That, in the long term, discourages the innovation developing among firms. Second, in Vietnam, start-ups struggle themselves to develop in the market, and a lot of CEOs are not business students. Rising understandings in management skills of leaders by means of compulsory attendance of training seminars or bonding events between firms in the same industries or under certain similar criteria is suggested. The author argues this to be compulsory because the culture of firms in Vietnam is reluctant to change and because of their unwillingness to open and share. Third, regulations and schemes supporting start-ups and innovation should be offered and proposed by Government. This is of great importance since, as illustrated above; Vietnam moved 29 positions forward in just four years in the Global Innovation Index, which is a very positive tendency that need maintaining.

5.4. Limitations and Recommendations for Future Research

Despite the contribution of this research to the understanding on OI application in SMEs and its impacts on firm performance in Vietnam, several limitations and recommendations for future research are worth mentioning.

First, the research was carried out in only three companies, two small-sized companies and one micro company. Although the sample reflects different industries and OI applications, a larger sample sets including medium-sized companies and covering more industries is recommended. This will help to bring about more generalized findings and more modification of practices employed in different contexts. Through that, more data can be identified and studied.

Second, the ages of companies in the sample are fairly young, all were founded after 2010, it was the time when the economy in Vietnam has developed drastically. The suggestion is to employ sample of companies founded earlier with more years of working in Vietnamese business to explore the change in innovation and collaboration to adapt with the fast-paced development of Vietnam over the few decades.

Third, this paper focuses on the applications and impacts of OI in SMEs in Vietnam only. Further aspects such as role of entrepreneurs, adaptation with challenges in OI implementation is suggested to be studied in Vietnamese context. This will help the understandings of Vietnamese OI trend clearer and more precise.

Fourth, the data collected in this paper is from interview only. There were not additional documents or information sources relating the practice as well as business of the firms. Hence, a deeper study from various data sources is suggested. The sources can be listed as firms' annual reports, Innovation reports and KPI on performance, etc.

Finally, the limitation in the method of the thesis is proposed. Due to the qualitative method, some analysis can be subjective, thus a quantitative research is suggested to increase the precision of the study.

APPENDIX

A. Vietnamese Questionnaire

I. Thông tin cơ bản

1. Anh có thể chia sẻ hoạt động kinh doanh của anh nằm chính ở mảng nào và trước đó anh đã từng có kinh nghiệm trong ngành này chưa?
2. Anh có thể tóm lược sơ qua về môi trường kinh doanh trong ngành này hiện nay tại đất nước của anh không? Ví dụ như là như là luật lệ, chế tài, các chính sách hỗ trợ cho các ý tưởng kinh doanh hay những sáng chế
3. Các thông tin cơ bản về công ty của anh? Về lịch sử hình thành, các mảng hoạt động chính, số lượng nhân viên...
4. Việc đổi mới sáng tạo trong kinh doanh đóng vai trò như thế nào trong công ty của anh? (về sản phẩm, dịch vụ cung ứng ra cũng như là chu trình quản lý, lựa chọn đối tác, vv)
5. Có khoảng bao nhiêu sáng kiến mới về sản phẩm hay dịch vụ, quy trình quản lý mà anh đã giới thiệu trong 5 năm trước hoặc từ khi khởi nghiệp? Ví dụ? Vậy anh đã hợp tác với bao nhiêu đối tác để đưa ra các sản phẩm mới cũng như là dịch vụ? Anh có thể cho em con số cụ thể được không?
6. Trong dịch vụ và quy trình quản lý anh cảm thấy có sự khác biệt hoặc thế mạnh riêng gì của công ty mình để cạnh tranh so vs đối thủ?

II. Quản trị sáng tạo mở là gì?

Quản trị sáng tạo mở hướng đến: mục đích mở rộng mô hình kinh doanh và cần chấp nhận rủi ro, thường không chia sẻ hết thị phần.

7. Anh nghĩ sao về quản trị sáng tạo mở và nó có ý nghĩa như thế nào trong công ty của anh? Anh đã bao giờ nge đến quản trị sáng tạo mở bao giờ chưa? Nếu chưa thì theo anh, quản trị sáng tạo mở sẽ đóng góp gì cho nền kinh doanh? Theo anh, quản trị sáng

tạo mở có được coi như là một cơ hội cho công ty của anh không? Chẳng hạn như việc cùng nhau hợp tác để tạo ra sản phẩm hay dịch vụ mới.

8. Anh đã tham gia theo mô hình quản trị sáng tạo mở chưa? Và anh đã tham gia với hình thức nào? Xin ý kiến từ phản hồi, góp ý từ đối tác ... (Đối tác là những ng ảnh hưởng đến hoạt động kinh doanh. Họ có thể tham gia trực tiếp hoặc gián tiếp vào quá trình hoạt động kinh doanh) Hoặc cũng có thể là các hoạt động kinh để hợp tác hay những dạng đối tác khác nhau (Đối tác là những ng ảnh hưởng đến hoạt động kinh doanh. Họ có thể tham gia trực tiếp hoặc gián tiếp vào quá trình hoạt động kinh doanh) Đầu ra (lợi nhuận, giá trị nhận được...) và đâu là lý do chính để anh tiếp tục áp dụng quản trị sáng tạo mở?
9. Anh đã từng kết hợp với đối tác nào (các viện nghiên cứu, các bên cung cấp sản phẩm\ dịch vụ, khách hàng, người cố vấn.... Theo anh thì nên lựa chọn đối tác trên đặc điểm nào? (lòng tin, sự chuyên nghiệp, tính hiệu quả của công việc, ngoại hình, mối quan hệ của đối tác
10. Theo anh thì việc cùng hợp tác đem lại những lợi ích gì?
11. Công ty của anh gặp những vấn đề gì trong thời kì đầu hợp tác? Những thách thức có thể xảy ra như: vấn đề lòng tin; vấn đề giao tiếp, đàm phán; khó khăn trong việc lựa chọn đối tác hay những vấn đề thách thức từ bên trong như nguồn lực, nguồn vốn, văn hóa....
12. Anh đã hoặc đang làm gì để giải quyết vấn đề từ bên trong cũng như bên ngoài?

III. DOANH NGHIỆP

13. Anh gặp các vấn đề gì khi hợp tác với đối tác chưa? Mất cân bằng công việc-> mất kiểm soát đc bản thân, rào cản ngôn ngữ
14. Các doanh nghiệp đóng vai trò như thế nào trong việc hình thành quá trình quản trị sáng tạo mở? Các đối tác cần chịu trách nhiệm gì hay làm gì để tham gia vào việc hợp tác này?
15. Anh có cảm thấy việc đánh giá sự thành công của hợp tác là cần thiết không? Anh có sử dụng một tiêu chí nhất định nào để đánh giá mức độ thành công của hoạt động hợp tác

đó không? Theo anh thì cách phù hợp nhất để đánh giá quản trị sáng tạo mở là gì? Những tiêu chí nhất định để đánh giá sự thành công của hợp tác? Lòng tin, thu nhập, hay mức độ hài lòng của khách hàng....?

IV. CLOSING

16. Trong quá trình phỏng vấn thì còn nhiều thiếu sót. Vậy nên anh có muốn góp ý để em cần bổ sung những mục nào không ạ?

B. English Questionnaire

I. Background questions:

1. Can you share about your business background and your previous experience in the industry (if any)?
2. Can you summarize the business environment at the time being in the country? (in terms of laws, policies, supports for start-ups and innovation if any)
3. Can you give me some information on the background of your company? (History, main activities, number of staffs, etc)
4. How important is innovation's role in your company? (in terms of product, service providing, management, etc)
5. How many innovations so far have you introduced to commercialize? Can you please give me some examples? And did you cooperate with any partner to bring about an innovative product or service before? If yes, can you share with me about the experience?
6. In your service and products, do you feel any competitive advantage to compete against your competitors? Is that a form of innovation or not?

II. Open innovation approach

7. How do you think about 'Open Innovation'? Does it make great sense in your company's business? If you have not heard of the term, I will explain to you, do you think it is a great opportunity for your firm?
8. Have you been involved in any OI model before? If yes, how did you involve and what are the main motivations for you to continue the OI practices at your company?
9. With what types of partners did have you collaborated with? And based on which criteria do you choose to pick your partner?
10. What are the benefits of OI and cooperation for innovation, in your opinion?
11. What were the challenges that your company encountered during the cooperation? In all the phases: beginning, mid-phase and the end-phase of commercializing?
12. How did you tackle those problems from inside out as well as outside in?

III. Enterprises and entrepreneurs:

13. What issues do you face when you working with your partner privately?
14. What role do businesses play in shaping innovation governance? What responsibilities should partners take to participate in the cooperation?
15. How do you evaluate the success of the cooperation for innovation? Do you have any certain criteria to assess the success?

IV. Closing

16. During the interview, the shortcomings might not be totally avoided. Would you like to comment or add any further ideas or contributions?

C. Transcript of the interview

(Due to the CEO's intention and unwillingness to publish the content of the interview, Ha Beauty's interview cannot be transcript in the Appendix).

Abbreviations:

A - Author

B - The interviewed CEO

1. STEP UP English Centre:

Date & Location: July 10th, 2017; 10:30 am – 11:15 am, Video call on Facetime

Interviewer: Thuy Linh Nguyen

Interviewee: Step Up CEO _ Van Hiep Nguyen

A: Em chào anh ạ, cảm ơn anh vì đã đồng ý buổi trò chuyện ngày hôm nay với em, em xin phép của anh từ 15 – 20 phút, hi vọng anh có thể bớt chút thời gian giúp em ạ.

B: Chào em, rất vui khi được hỗ trợ cho công việc của em. Anh sẵn sàng rồi, mình có thể bắt đầu luôn em nhé.

A: Dạ vâng ạ, anh có thể giới thiệu cho em về hoạt động kinh doanh của anh được chứ ạ?

B: Tất nhiên rồi, như em biết, anh làm việc trong lĩnh vực dạy học tiếng Anh từ năm 2011, thời đó thì việc dạy và học tiếng Anh chưa phổ biến như bây giờ. Thế nên thị trường cũng mở, anh nhận thấy có cơ hội kinh doanh thì làm thôi, chứ không phải do nguyên nhân to tát gì cả. Cái chính của việc làm kinh doanh đó là mình nắm bắt cơ hội và mình làm được. STEP UP phát triển từ ngày đó đến giờ với 21 nhân viên hoạt động chính và các bạn sinh viên làm thêm. Ngoài ra thì thiếu gì anh thuê thêm nấy chứ hạn chế nhân viên full time ở mức nhất định thôi.

A: Vậy môi trường kinh doanh trong ngành dạy tiếng Anh ở nước mình theo anh đánh giá hiện nay ra sao ạ? Có sự hỗ trợ nào từ cơ quan chức năng và Chính phủ không ạ?

B: Rất sôi động và cực kì cạnh tranh. Trung tâm tiếng Anh mọc lên như nấm, chất thì ít mà lượng thì nhiều, người tiêu dùng thì nhiều khi không tỉnh táo lựa chọn, còn hỗ trợ thì hoàn toàn không có em nhé. Cái đó xa xỉ ở thị trường Việt Nam quá.

A: Thông tin cơ bản về công ty anh đã chia sẻ bên trên rồi ạ nên em muốn hỏi việc đổi mới sáng tạo đóng vai trò như thế nào trong công ty của anh ạ?

B: Vô cùng quan trọng em ạ. Anh là một doanh nghiệp khởi nghiệp, làm trong ngành này, muốn cạnh tranh thì luôn luôn phải đổi mới và sáng tạo. Ngừng sáng tạo là kinh doanh đi vào bế tắc ngay, chưa nói đến việc cạnh tranh, để giữ những khách hàng của mình trung thành với

mình, mình cũng luôn phải đổi mới không ngừng, chưa nói đến cạnh tranh. Khi mình không chịu thay đổi cho cái mới đến thì là lúc trung tâm mới mọc lên giành giật khách hàng của mình, nên thật sự bối cảnh kinh doanh vô cùng khốc liệt và tàn nhẫn. Ở ngoài ngành nhìn vào đã kinh khủng, trong ngành nhìn còn kinh khủng hơn. Nên phương châm của anh là phải đổi mới và sáng tạo không ngừng.

A: Theo anh đánh giá, anh đã giới thiệu bao nhiêu đột phá trong phương pháp cũng như giáo trình dạy và học đến khách hàng mình rồi?

B: Cũng là một con số khá đáng kể so với các đối thủ trong ngành đó em, sở dĩ STEP UP hoạt động và phát triển đến giờ phút này được là nhờ các đột phá trong phương pháp giảng dạy và giáo cụ học tập. Anh đầu tư nhiều nhất vào mảng R&D. Thật sự là luôn đầu đầu nghĩ về việc sẽ phát triển phương pháp học tối ưu cho học viên và tìm được những nguồn tư liệu hữu ích nhất cho họ. Giúp được cho học viên học ít mà vẫn chất lượng luôn luôn là tiêu chí hàng đầu mà anh đặt ra. Tuy nhiên giữa biển trời các phương pháp và giáo cụ học tiếng Anh trên thế giới, để mang về STEP UP sử dụng, mình cần phải cải biên chỉnh sửa rất nhiều để phù hợp với văn hoá học tập và mức độ tiếp thu của học viên mình, nói chung là cả một chặng đường dài trước khi đến tay người tiêu dùng, nên nếu hỏi anh trong từng đó thời gian đã giới thiệu bao nhiêu sản phẩm thì quả thật là một câu hỏi khó. Vì bản thân anh cũng khó mà đếm được.

A: Anh nghĩ sao về quản trị sáng tạo mở và nó có ý nghĩa như thế nào trong công ty của anh? Anh đã bao giờ nghe đến quản trị sáng tạo mở chưa ạ? Quản trị sáng tạo mở hướng đến: mục đích mở rộng mô hình kinh doanh và cần chấp nhận rủi ro, thường không chia sẻ hết thị phần.

B: Chưa. Khái niệm này mới quá, anh nghe lần đầu tiên. Theo anh thì từ phương diện là 1 start-up như anh, bất cứ cơ hội hợp tác nào cũng đem lại rất nhiều cơ hội. Thật sự là có nhiều thứ để chia sẻ và học hỏi lẫn nhau. Tuy nhiên, điểm thách thức lại nằm ở việc đối tác của em có thật sự muốn chia sẻ và cùng em hợp tác hay không. Không dễ gì để một doanh nghiệp chia sẻ thành công hoặc mô hình kinh doanh của họ với một đối thủ trong ngành. Đặc biệt từ phương diện của anh, anh thấy doanh nghiệp vừa và nhỏ mình chưa có văn hoá liên kết hợp tác cùng ngành để cùng phát triển. Đa phần, là khác ngành hợp tác để bổ sung và hỗ trợ lẫn nhau cho những khía cạnh mà bên mình bị thiếu.

A: Anh đã tham gia theo mô hình quản trị sáng tạo mở chưa? Và anh đã tham gia với hình thức nào? Xin ý kiến từ phản hồi, góp ý từ đối tác ...?

B: Thật sự cái này anh tham gia rất nhiều rồi, nhưng hình thái không thể hoàn toàn giống nhau như vậy. Quy mô không hoàn toàn được hoàn hảo như em miêu tả. Thật ra là hợp tác để sản xuất và lo những khâu mà mình yếu và thiếu thôi. Còn lại thì hầu như là chưa. Ví dụ bên anh sản xuất sản phẩm thành công nhất từ trước tới giờ là bộ học từ vựng 'Magic Flash Cards'. Khả năng của riêng bên anh thôi thì không đủ, nên anh phải thuê thiết kế bên ngoài, gia công bên ngoài, làm việc với họ theo hợp đồng. Sau thì phát triển nên bộ từ vựng thì thuộc hoàn toàn quyền sở hữu của bên anh – STEP UP.

A: Thông thường đối tác của anh là những đơn vị hay cá nhân thế nào ạ?

B: Anh thường chỉ tập trung làm việc với các công ty gia công, in ấn, thiết kế đồ họa là chính, còn lại là anh rất ít hợp tác. Duy có trường hợp lần này, công ty tiếng Anh bị thiếu cơ sở vật chất nên mới hợp tác với bên trung tâm bên ngoài để làm ăn em ạ.

A: Công ty của anh gặp những vấn đề gì trong thời kì đầu hợp tác? Những thách thức có thể xảy ra như: vấn đề lòng tin; vấn đề giao tiếp, đàm phán; khó khăn trong việc lựa chọn đối tác hay những vấn đề thách thức từ bên trong như nguồn lực, nguồn vốn, văn hóa...?

B: Rất nhiều em ạ, kể ra thì khó lòng mà đủ được. Nhưng khó khăn chủ yếu nằm ở vấn đề lòng tin. Nhiều khi mình hợp tác với người ta nhưng chắc chắn tin tưởng thì rất khó. Đó cũng chính là rào cản khiến cho doanh nghiệp nhà mình thường thích khép kín và tự phát triển hơn. Một khi sẵn sàng hợp tác là phải sẵn sàng với việc mô hình kinh doanh, hay sở hữu trí tuệ của mình sẽ bị người khác dùng không có sự cho phép hoặc đưa vào kinh doanh không có một sự xin phép về bản quyền nào. Mặc dù là một vấn đề nổi cộm nhưng chưa bao giờ thấy nhà nước có chế tài hay luật pháp để bảo vệ OI. Bên cạnh đó, lựa chọn đối tác cũng là một bài toán khó nhằn cho bên doanh nghiệp của anh. Do điều kiện nguồn vốn luôn luôn bị hạn hẹp, việc chọn lựa đối tác của bên anh không chỉ dựa vào các yếu tố khách quan mà còn dựa vào yếu tố chủ quan. Khả năng của đối tác, mức độ tin cậy, vì nhiều khi cùng là một dự án, một công trình nhưng mình phải chia nhỏ ra cho nhiều nhà sản xuất. Mỗi người chịu trách nhiệm một phần nhỏ nhỏ.

A: Anh đã hoặc đang làm gì để giải quyết vấn đề từ bên trong cũng như bên ngoài?

B: Thật ra thì có rất nhiều thứ cần giải quyết, tôn chỉ của anh là đã làm ăn hợp tác với đối tác là lúc nào cũng cần phải đối thoại thẳng thắn, trao đổi cụ thể về expectation của mình, để đôi bên cùng đỡ bị hẫng khi quá trình bắt đầu làm việc cùng nhau mới bắt đầu phát sinh. Tất cả mọi vấn đề nếu giải quyết từ đầu. Từ những bước đầu tiên, mình làm đúng và đối tác làm chuẩn thì quan hệ mới sustainable được em ạ. Còn về việc họ ăn cắp ý tưởng của mình, thì là một điều khó lòng mà tránh được trong văn hoá doanh nghiệp và tinh thần kinh doanh của Việt Nam. Họ cứ lấy mặc cho em cứ giữ. Điều quan trọng nhất là em phải không ngừng phát triển, không ngừng đổi mới để cạnh tranh.

A: Các doanh nghiệp đóng vai trò như thế nào trong việc hình thành quá trình quản trị sáng tạo mở? Các đối tác cần chịu trách nhiệm gì hay làm gì để tham gia vào việc hợp tác này?

B: Để hỏi về vai trò của doanh nghiệp thì đương nhiên là vô cùng quan trọng. Tất nhiên là sự kết hợp giữa đa ngành đa nghề tạo thành một sân chơi chung là điều vô cùng quan trọng cho sự phát triển bền vững của các công ty trong network nói chung. Và trách nhiệm chung là cái mà mỗi doanh nghiệp trong mạng lưới đều cần phải tôn trọng và tuân theo. Tưởng tượng một mạng lưới của các doanh nghiệp có quy mô vừa và nhỏ, với rất hạn chế nguồn tài nguyên và nguồn lực. Khi một mắt xích trong mạng lưới bị buông lỏng ra, tất cả những processs còn lại sẽ bị ảnh hưởng. Tuy số lượng doanh nghiệp vừa và nhỏ ở Việt Nam bùng nổ một cách đáng sợ trong những năm gần đây. Nhưng không dễ để lựa chọn được đối tác và người thay thế.

A: Anh có cảm thấy việc đánh giá sự thành công của hợp tác là cần thiết không? Anh có sử dụng một tiêu chí nhất định nào để đánh giá mức độ thành công của hoạt động hợp tác đó không?

B: Chủ yếu mức độ thành công anh dựa vào tốc độ quay vòng vốn, mức lợi nhuận thu về sau mỗi lần hợp tác. Vì mỗi sự hợp tác đều rất có nhiều điểm khác nhau. Không dễ dàng gì khi đưa ra được những tiêu chí chung để đánh giá mức độ thành công. Có những tiêu chí chỉ là bắt buộc mình tuân theo nhưng không phù hợp với thực tế kinh doanh, thì khó có thể đem ra làm công cụ giúp mình đo lường công việc được. Vậy nên với khoản đánh giá này, anh cực kì co giãn và flexible.

A: Trong quá trình phỏng vấn thì còn nhiều thiếu sót. Vậy nên anh có muốn góp ý để em cần bổ sung những mục nào không ạ?

B: Anh không có, rất vui được giúp đỡ và hỗ trợ cho em.

A: Em cảm ơn anh.

2. COMICOLA

Date & Location: June 15th, 2017; 12:20 am – 12:50 am, Video call on Facetime

Interviewer: Thuy Linh Nguyen

Interviewee: COMICOLA CEO _ Nguyen Khanh Duong

A: Em chào anh ạ, cảm ơn anh vì đã đồng ý buổi trò chuyện ngày hôm nay với em, em xin phép của anh từ 15 – 20 phút, hi vọng anh có thể bớt chút thời gian giúp em ạ.

B: Không có gì em, anh hi vọng là có thể giúp ích cho em.

A: Background ngành kinh doanh của anh là gì? Thâm niên trong nghề của anh được bao lâu ạ?

B: Anh làm trong lĩnh vực sản xuất truyện tranh. Anh làm truyện tranh từ 2004, tới nay cũng được khoảng 13 năm.

A: Môi trường kinh doanh của ngành mình ở nước mình hiện tại như thế nào hả anh? Có hỗ trợ hay nâng đỡ gì từ nhà nước không ạ?

B: Hiện tại, làm truyện tranh ở đất nước này rất khó khăn, và không có hỗ trợ từ phía các cơ quan quản lý nhà nước.

A: Về thông tin công ty anh có thể chia sẻ với em thêm một chút xíu được không ạ?

B: Công ty Comicola có 15 nhân viên, thành lập năm 2015. Chuyên về việc sản xuất truyện tranh. Tiền thân của COMICOLA là do anh và họa sĩ Nguyễn Thành Phong đã cùng nhau hợp tác làm truyện tranh rất lâu rồi, từ 14 năm trước. Sau đó 2 đứa quyết định start-up trong ngành này, tạo một sân chơi cho giới trẻ, những người yêu truyện tranh nói chung.

A: Trong vòng 5 năm trở lại đây, anh hài lòng nhất với innovative product/ service nào nhất ạ?
Anh có thể đưa ra một vài ví dụ giúp em được không ạ?

B: Mặc dù là Long Thần Tướng của bên anh làm, nhưng sản phẩm tốn hao nhiều sức lực nhất và cũng khiến anh ấn tượng nhất của Comicola là dự án Sài Gòn Phố. Đó là một cuốn sách Popup, đã gây quỹ được 400 triệu đồng và là cuốn sách popup đầu tiên do người Việt sản xuất.
Trước khi làm cuốn sách

A: Anh đánh giá công ty của mình innovative so với đối thủ chứ ạ? (nếu có đối thủ)

B: Anh không thấy đối thủ.

A: Anh nghe đến “Open Innovation” (Quản trị sáng tạo mở) bao giờ chưa ạ?

B: Anh chưa nghe nói

A: Theo như giải thích bên trên thì a đã tham gia vào mô hình như vậy bao giờ chưa ạ?

B: Việc làm việc với đối tác là điều bắt buộc, vì Comicoal không có nguồn lực để sản xuất mọi thứ.

Đa phần anh làm với các đơn vị gia công (in ấn, sản xuất áo thun, sản xuất mô hình) dựa trên các IP mà Comicola đang sở hữu.

A: Bản thân anh có gặp trở ngại gì khi hợp tác với các đối tác ở nhiều mảng khác nhau không ạ?

B: Hiện tại anh không gặp trở ngại gì nhiều, bởi lẽ dịch vụ sản xuất bây giờ họ cũng chuyên nghiệp, mình yêu cầu đầy đủ sẽ được đáp ứng thôi. Mức độ thành công của 1 lần hợp tác là chất lượng sản phẩm em nhé. Nếu một đối tác có thể cho anh được sản phẩm có chất lượng hoàn thiện tốt, anh sẽ rất tin tưởng và tiếp tục làm việc.

3. Second interview with COMICOLA – on Crowd-funding practices

Date & Location: July 1st, 2017; 12:00 am – 12:25 am, Video call on Facetime

Interviewer: Thuy Linh Nguyen

Interviewee: COMICOLA CEO _ Nguyen Khanh Duong

A: Good afternoon, thank you for accepting a second interview, in this interview, I would like to bring up further questions on Crowd-funding activities – which is the advantage of COMICOLA in Vietnam. I hope I can get the sharings from you.

B: Sure, to give you an overview. Let's imagine this way. The public is very interested in quality, while the community fundraiser is selling an invisible product. In order to convince users to spend money on a product that requires serious work of the author and the system of fundraising to gain the trust of readers.

A: Can you be clearer on that, please?

B: Before thinking of raising community funds, many artists and cartoonists have to promote their personal images with certain success when pursuing this passion. Once you have a good reputation with a certain audience, you will find the community fundraiser for help. It is extremely unlikely that a first-time community fundraiser will be a hit, and our friends have launched two works on the literary market. If you cannot convince your family or friends to support you, then how can you create that trust for outsiders?

A: So, when you first started with the crowd-funding trend, did you encounter a lot of difficulties?

B: In the world, crowdfunding has existed since 2008. Up to now, the total amount of funds raised has reached billions of dollars. Many experts estimate that this is the best model available today for young, independent artists to bring their work to the public and the world. Although appearing long in the world, however, this form of fundraising is quite new to many in Vietnam. When talking about community fund-raising, people think about technology projects. Actually, the idea of raising community funds in line with technology companies is due to the world being very powerful in making such products. However, in Vietnam, in addition to comic books, no product is resonating to attract capital from the community.

Also, when we put our project up, we received a lot of fears, even criticisms, doubts. They do not know what we are doing, whether the model is guaranteed or not.

Fortunately, we also have the support of readers who have been engaged for more than 15 years, such as friends, relatives, who are ready to know what we are doing, where our goals are. Therefore, the goal of more than 300 million VND for the comic book was not formed after only 43 days.

A: Why did not you rely on the available community fund-raising platform like kickstarted, idiegogo which already had their reputation but chose to develop your own platform?

B: There are two reasons:

First, two years ago, when we raised funds, kickstarter or idiegogo did not support VN. To raise a community fund, I am required to have a legal status in one of the countries authorized to raise funds to receive funds from the fund.

Second, the characteristics of buying behavior, especially in e-commerce of Vietnamese users is very different from the world. Online payment is not popular. 80% of Vietnamese users buy online through cash. Meanwhile, community fundraising is forced to pay online new acceptance.

In addition, I would like to build a fund-raising system dedicated to Vietnamese people, with the most suitable payment tools for people with the same passion to have conditions to realize their dreams.

A: Oh, I get it, so can you go further with the difficulties that you are encountering in the community fund-raising activity at the moment?

B: I think we need legal framework suitable for community fundraising. Just like the new models in the world today, like United States or some European countries, there are regulations on the operation of community fundraising model. But in Vietnam, there is no legal framework at the moment. Some artists want to raise community funds in Vietnam when they recognize the effectiveness of the model but lacking in understandings how the model works hinder the development of many. At the current scale, I believe we can still work well. However, the trend of this model (community fund-raising) will grow stronger and we expect to raise community funds that will be included in the draft law for small and medium

enterprises. I really expect that not only us, but also people who directly raise funds will be protected in the legal framework.

A: I really want to ask you more about the community fund-raising projects that you have been achieved so far. Can you tell me more about your experience with the projects and achievements as well as failure if any?

B: You can imagine the work at COMICOLA by this: breaking the traditional publishing tradition by raising community funds, getting authors involved in the marketing of the work, measuring readers' responses to the first free sample of chapters, calling for fundraising. Within a year COMICOLA has successfully raised funds for 14 comic works. Over the past 11 years, the number of cartoonists has fallen sharply, because Vietnamese comic books have not developed much, and the burden of rice and money overrides the painter. We sat down together, realizing the problem of comic book planners was that they could not find a common voice with investors, the connection with the reader. Therefore, we decided to create a platform to bring together all Vietnamese cartoonists, under one roof, to work together on quality works. The task of the founders is to bridge the painter, reader, publisher and investor to create a closed ecosystem of composing, publishing, releasing...

Comicola chooses to raise funds publicly and transparently about financial matters to the author and the community. Each project has a different ratio, but usually 65-35 (35 is Comicola's operating system, 65 is for printing costs, author's money for creativity). In addition, when seeing the effectiveness of this fundraiser, many book companies have jumped in to join in the investment with Comicola such as East A, Skybooks ... Comicola now has a strong, trusted community. Imagine the prestige of the project with a group of 2,000 people ready to logically support Comicola with more than 32,000 fans on the fan page, 50,000 people. However, we simply want people who love stories to have the opportunity to make comics, draw comics, make money from passion, do the things they like, live with the job without struggling to do other things to make money.

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