

Business Education for Market-oriented Economy

From the Experience of Business Course of Lao Japan Center

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1. Objectives of the Project

The Lao Japan Human Recourse Cooperation Center (LJC) Project has three programs: Business Course, Japanese Language Course and Cultural Exchange of the people. Each program has its own master plan to meet respective purposes.

(1) Overall Goals of the Project

Enhancement of human resources that could contribute to Lao PDR's transition to a market-oriented economy

Promotion of a mutual understanding, and strengthening of the relationships between Lao and Japanese people

(2) Project Objectives of LJC

LJC would become a strategic organization that will continuously supply many important human resources in the market economy of Lao PDR.

Business Course is to provide a practical knowledge for the Lao people in the market economy.

LJC will also provide Japanese Language Courses to meet the changing economic circumstances and new market needs in Lao PDR.

LJC would function as a focal place where the cultural exchange of the Lao and Japanese people will be promoted.

2. Outline of Business Course

(1) Background

Business Course is expected to play an active role in strengthening the human resources that will contribute to the proliferation of private businesses and improvement of state-owned enterprises through which the Lao PDR's full transition to a market economy will be achieved expeditiously.

To this end, Lao government needs to provide adequate infrastructures and implement relevant macro and micro-economic policies in order to create better environments conducive to business activities and larger business opportunities. The private business people, who could make a greater contribution to the development of the Lao economy, will become a key factor in this success.

On the regional front, the economic environments surrounding the country may not look highly promising. The country, once admitted to AFTA (ASEAN Free Trade Area), will have to open up its doors to other ASEAN member countries, and will undoubtedly face stronger competition from outside.

Under the circumstances, it is imperative for Lao business people to fully understand the operational functions of the market economy and to endeavor to steer their enterprises towards the

changing market conditions. At the same time, it could provide an excellent opportunity to launch a new business in various fields of industries such as agriculture, forestry, animal husbandry, food processing, textile and other handicraft industries as well as commerce, tourism and construction industries and others. While business people conduct their economic activities in a pursuit of commercial profits, they play some vital roles such as paying tax to the state, creating more employment, supplying goods and services for markets and obtaining foreign currencies.

(2) Target beneficiaries

There are two target groups of the Business Course. The first group consists of direct beneficiaries, namely course attendants. Most of them hold the positions of middle management and executives in private and state-owned enterprises, owners of small & medium enterprises and government officials. The second group includes the Project counterpart staff, course lecturers and administrative staff of LJC.

(3) Subjects offered in Business Course

There are 8 subjects each in Basic and Advanced Courses. The subjects and their contents offered in Business Course are shown in Appendix. Business Course is different from FEM (the Faculty of Economics and Management) of the National University of Laos in context of lectures and target groups although some of the subject names are similar. The former provides business people with more practical knowledge of management for enterprises whereas the latter provides students with more theoretical aspects of management.

(4) Business Course lecturers

Course lecturers are largely drawn from the faculty members of FEM. In addition, some Lao experts outside of FEM, government officials, and foreign experts are invited in various fields of industries and academic interests. The foreign experts are dispatched under the JICA scheme in order to complement the lectures in classes and help FEM lecturers to develop their teaching materials, which are one of the important outputs in Business Course. It is anticipated that selected lecture notes will be published as self-explanatory textbooks and will be sold to the general public in Laos.

(5) Monitoring and Evaluation (M & E)

Monitoring and Evaluation (M & E) is a very important activity for the Business Course staff members. Business Course conducts M & E for all classes every two months by way of questionnaires to the participants. Some of the suggestions and comments expressed in the questionnaires could help improve the quality and contents of lectures. Here are some sample suggestions and comments from the participants.

- To provide more Lao business cases and explain how they relate to the theory of management.
- To provide the lectures using Computer and Internet in LJC. Also to teach Accounting by using

some computer software.

- E-Commerce itself is an interesting subject, but related infrastructures have not fully developed in the country and its corporate application is limited.
- Too difficult to understand the topics of risk management in Corporate Finance, owing to too many theories, mathematics and statistics.
- Group discussion is a very useful learning method since participants can exchange their opinions with classmates.
- Too many different Lao translations for many English economic terms, which often create confusions among participants.

3. Strategic Management for Business Course

(1) Meeting the requirements of participants

A needs survey is periodically carried out among interested business people so as to appropriately revise and modify the design of the course. Additionally, participants in each class are requested to express their comments and suggestions through questionnaires at the end of each term as referred to earlier. Comments and suggestions received are carefully reviewed and some of them are incorporated for further improvement of lectures and management in the Business Course. To give an example, the findings of a needs survey led to the recent opening of Advanced Course.

(2) Search for sustainability

Since the Project period is limited to 5 years, it is of paramount importance to establish the sustainability of Business Course as soon as practically possible. To achieve this goal, there are a number of things to be done before the project is terminated.

Extra efforts need to be taken to continuously maintain a sufficient number of participants. It is also essential to retain a pool of quality lecturers to create a good reputation for the Business Course among the society. The publication of selected course materials has been under preparation for some time. Its major objective is to disseminate practical management knowledge all over the country. At the same time, their sales would certainly generate certain amounts of revenue, thereby contributing to help raise the level of sustainability.

Similarly LJC has been contemplating the expansion of its operations from the home base in Vientiane to other major cities to offer the same course for business people and regional government officials who have no access to the existing course. To test the water, LJC invited 14 teachers of vocational schools from Vientiane Province and Luang Prabang Province on a six-week intensive course last summer.

(3) Effective ways in knowledge transfer

After the completion of study at the Business Course, the participants should be able to build their

capability to solve their own business problems systematically. (Identify the problems → Analyze the problems → Find out the solutions → Make action plans → Implement the plans → Review the outcomes).

However, in the real business world such capability alone may not be adequate to ensure a successful business management on a long-term basis. Over the years, certain sub-sectors in the markets can decline or become stagnant whereas others can grow steadily or rapidly. All the products have more or less their respective life cycles; some products may disappear soon enough from the markets whereas others could last long. If business people confine themselves within their bulwarks indefinitely, some of their products and businesses might come towards the end of their life cycles sooner or later.

To sustain a steady long-term corporate growth, business people ought to go beyond their ramparts in a constant search of new business ventures and/or new products. Yet, it is often a daunting task to identify the right product/business in the right time. And it is all the more difficult to launch the new product and/or initiate a new business venture successfully. To ensure a success, a different talent may be called for, but such talent cannot be easily fostered through lectures in the classroom.

Recognizing it, the Business Course has from time to time invited successful entrepreneurs to share their experience with the participants. It is anticipated that their life stories could give some tips about a long-term business success for the participants.

4. Conclusion

The Business Course strategically formulated can help participants build their capability in three major ways.

(1) How to grasp a market opportunity

It is important for business people to stay alert constantly so as to catch the market opportunities in a timely manner. They should try to expand their own personal and organizational networks to the maximum extent and gather related information as soon and as much as practically possible.

(2) How to construct a business model

The executives of business enterprises should be able to articulately construct their business models. In so doing, they must take into account a number of different aspects of business operations: financial, accounting, technological and technical, personnel, to name a few. It is a tedious task, but once the model is established logically, accurately and consistently, it can serve as a powerful tool, for instance, to make a future plan. With this, business people should be able to give a convincing briefing to banks, investors, partners or suppliers about their own business.

(3) The importance of customer satisfaction

This is the most important ingredient for business in the market economy, and is also the case in all over the world. There are plenty of competitions in every market. Business people should clearly recognize the consumers' preferences and satisfy them if they want to be a winner in their business.

Appendix

Subject Name	Objective: After studying this course, the participants should be able to:
Management Strategy (1)	<ol style="list-style-type: none"> 1. Understand the principle of market economy (Competition in a market). 2. Formulate the strategic plan and establish mission statement and policy of your company.
Management Strategy (2)	<ol style="list-style-type: none"> 1. Understand higher level of strategic management theories. 2. Establish effective plan and review and adjust planning gap in doing business. 3. Initiate new venture.
Marketing (1)	<ol style="list-style-type: none"> 1. Understand why marketing is important (theory of competitiveness). 2. Understand the basic marketing process and techniques of market analysis and apply those to your business activities.
Marketing (2)	<ol style="list-style-type: none"> 1. Understand the advanced theories of marketing management. 2. Use knowledge of marketing for business solution and increase of sales and profit.
General Accounting	<ol style="list-style-type: none"> 1. Understand basic theories and practices of accounting. 2. Gain a broad understanding of general accounting and understand book-keeping.
Managerial Accounting	<ol style="list-style-type: none"> 1. Understand the calculation of the costs and the analysis of the profitability. 2. Build capacity of international standard of managerial accounting.
Production Management (1)	<ol style="list-style-type: none"> 1. Understand basic production management and its function. 2. Obtain knowledge of basic methodology in order to apply in working field and find the way to improve productivity and eliminate waste, resulting in increase of sales and profit.
Production Management (2)	<ol style="list-style-type: none"> 1. Understand higher level of production management. 2. Gain ability of forecasting demand, planning production schedule and reform of an organization.
Human Resource Management (1)	<ol style="list-style-type: none"> 1. Understand new knowledge of Human Resource Management. 2. Understand roles of personal management and improve managerial and administrative functions in an organization.
Human Resource Management (2)	<ol style="list-style-type: none"> 1. Diagnose current Human Resource Management in their organization. 2. Create a plan for HRM to improve the existing situation and make their organization more competitive.
International Trade	<ol style="list-style-type: none"> 1. Understand basic theory of international trade and international trade organization. 2. Understand procedure of foreign investment.
General Finance	<ol style="list-style-type: none"> 1. Understand the financial system in Lao PDR. 2. Establish the financial plan of a company and analyze the factors of choice in investment
Corporate Finance	<ol style="list-style-type: none"> 1. Understand theories of corporate Finance. 2. Make a decision successful long-term investment and evaluate investment project. 3. Understand various possibilities of financing methods. 4. Understand risk management.
Business communication skills	<ol style="list-style-type: none"> 1. Understand theory of business communication. 2. Obtain the skills of report and technique of negotiation in a business meeting. 3. Understand basic function of computer and the use of Internet in doing business.
Information Management	<ol style="list-style-type: none"> 1. Understand theory of Management information System (MIS). 2. Gain knowledge on using and developing MIS and apply those to business activities.