Teaching Note

Topic: Case study: Road to Success of Lao Agro Industry Co. Ltd

The material is designed for first-year MBA students to encourage discussion and analyze the development of the agro industry including its context.

Topical Areas: Agro Processing Industry Business

Type of Course

This material is designed for first-year MBA course. However, it is also possible to be used as teaching material in terms of new entrepreneurship, specifically in developing countries in which agriculture is an economic base. Optionally, the material can also be taught at the undergraduate level of business management.

Teaching Objectives

At the end of the lesson, students should be able to:

- Discuss the situation which promoted entrepreneurship, including the personality and attitude of the entrepreneur;
- Discuss how to manage a business under an uncertainty environment;
- Explain the roles of community networking which contributes to an enterprise's operations;
- Describe how a management framework is important to a company's success;
- Identify flexibility, creativity, and innovation as key features of entrepreneurs;
- Explain why quality assurance plays an essential role in entering international markets; and
- Describe the similar and different contexts of the agro industry practiced in the student's area or countries.

Timing: 80 minutes

Classroom activity

All students in the class:

Identifying the theoretical terms, students in the whole class describe or define the terms related to the case study: entrepreneurship, personality and attitude; managing in an uncertain environment; networking; management framework; flexibility, creativity and innovation; and Quality Assurance.

Group Discussion and feedback

1. Students read the case study: Road to Success of Lao Agro Industry Co. Ltd for 5 minutes and discuss what they find in terms of entrepreneurship, personality, attitudes; managing in an uncertain environment; networking, management framework; flexibility, creativity and innovation; and quality assurance.

2. Discuss optional solutions for the same situation in terms of entrepreneurship, personality, attitudes; managing in an uncertain environment; networking, management framework; flexibility, creativity and innovation; and quality assurance that should be applied based on their home situation.

3. Group synthesis (present the group options to the whole class)

Feedback

- Peer feedback for each group synthesis
- Teacher's comments

Portfolio

Guiding questions

1. What would you propose to do if you would establish an SME or give advice to local entrepreneurs who are in the agro industry in your home situation? Please also describe challenges affecting type of industry such as political practice, resource availability, and so on.

2. In your home situation, what might you do differently from the case study?

3. How do the lessons and insights from this case apply to your work as a manager or a consultant?

4. Would the approaches practiced in the case study be applicable to you? Why or Why not?

Time Allocation

5 minutes	Intro and bridge from the last lesson
10 minutes	Building up schematic knowledge about the terms (in theory)
20 minutes	Read and discuss what students find as practical or theoretical terms
10 minutes	Discuss practices missing in the case as possible options that can be applied to the agro-processing firm in their home situation
30 minutes	Group synthesis (present their work), peer feedback, and teacher's comments
5 minutes	Wrap up and bridge to next class

Board Plans

- Board 1 Ex. Actions/Framework/Approach
- Board 2 Ex. Alternatives/Recommendations/Lessons

Notes for teacher

1. **Entrepreneurship** – changing from a saw mill, 'Wood Processing Industry' to Agro Processing Industry because Mr. LoumkhamVongxay saw agriculture production as an option for resource availability for his new business. He therefore chose Agro Processing Industry as his successful road as a manager.

2. **Personality** – in making his business possible, Mr. LoumkhamVongxay possesses an open-minded, communicable, and personable personality. He is highly creative, committed to his decision, sociable and constantly extends his network both public and private sector, with a win-win partnership and cooperation mindset.

3. **Attitudes** – although there is policy impact on the business, Mr. LoumkhamVongxay has never changed his mind on his business. He always believes that "nothing is impossible!"
4. **Managing in an uncertain environment** – When there are changes in the political landscape and the surfacing of political issues, it can have substantial impacts on doing business relating to the use of natural resources. Calculated forecasting must always present in his business decision.
5. **Networking** – Mr. LoumkhamVongxay talked to many people from grassroots level, farmers, to domestic government officials as well as foreign business owners in order to create strategic partnerships with all parties. This is a well-organised plan for business operation.
6. **Creativity** – The majority of agricultural producers are smallholder and subsistence farmers, for their family's sufficiency rather than a commodity practice. The creation of a raw materials supplier from subsistence farming to commercializing agriculture products had been done to serve the challenge of a new food processing industry from local farmers to government bodies. The owner's solution to the company's environmental issue of waste disposal by turning waste into cow feed is an example of constant creativity in the owner's mindset.
7. **Quality assurance** – Lao Agro Industry Co. Ltd. uses the strategic partner's experience and quality control in order to be certified for GMP certificate from Laos FDA, and passed the factory evaluation from SGS Thailand Ltd, and British Retail Consortium (BRC) certification. The factory also received ISO 9001 certification.