

■ COMMENTARY

## Academia-industry alliance can boost accountancy in Laos

By Clarence Goh and Sarva Saephan

**S**URROUNDED by Myanmar, Cambodia, China, Thailand, and Vietnam, the landlocked nation of Laos has often struggled to escape from the shadows of its larger neighbours. However, Laos has steadily opened its doors to the world over the past few decades and has developed ambitious plans to grow its economy.

On a visit to Singapore in 2017, Laos Prime Minister Thongloun Sisoulith highlighted how his country was determined to turn itself from a "landlocked country to become a land-linked country".

While Singapore companies have been doing business in Laos since the late 1980s, there remains scope for greater links between the two countries. According to a report by The Economist Intelligence Unit, Singapore was only the 18th largest foreign investor in Laos for the period from 2011 to 2015.

Certainly, Singapore hopes to play a role in Laos' development. While hosting Prime Minister Thongloun Sisoulith on his visit to Singapore, Singapore Prime Minister Lee Hsien Loong noted that Singapore has expertise in areas that would "complement Laos' development priorities".

One such area would be in the accounting sector. Paving the way for greater collaboration between the two countries, the Institute of Singapore Chartered Accountants (ISCA) and the Lao Chamber of Professional Accountants and Auditors (LCPAA) signed a memorandum of understanding in 2016 to explore opportunities for ISCA and Laos to co-develop the accountancy profession in Laos through capability building programmes.

This would include areas such as the training of accounting technicians, continuous professional development, and the exchange of expert-

ise, experiences, and best practices between the accountancy firms of Singapore and Laos.

It was in the spirit of deepening collaboration that we embarked on a recent study trip to the Laotian cities of Vientiane and Luang Prabang with 29 undergraduate students from Singapore Management University (SMU).

### EXPERIENTIAL LEARNING

The challenges facing young graduates today are unprecedented in their scale and complexity.

Often, solutions to these challenges do not come from any single field but instead arise from collaboration and innovation across areas, combining knowledge from multiple disciplines.

The way that students learn must evolve. In such an environment, traditional classroom exercises do not sufficiently equip students with the necessary skills to meet the dynamic, multi-faceted challenges that they will face in the workplace.

Instead, an alternate approach that focuses on solving real-world problems, with their attendant constraints and commitments, is likely to accelerate learning and develop key problem solving skills more effectively.

Technological transformation is one real-world challenge that accountants face today. While accountants are well placed to leverage technology to enhance the efficiency of the accounting department and to add value by providing strategic business insights to their organisations, managing technological transformation is a particular challenge in Laos given the lack of technical know-how in the country.

A key highlight of our study trip to Laos involved having students work with KP Company Limited – a prominent Laotian conglomerate – to examine how data analytics could be applied

on accounting data to help the company make better strategic business decisions.

With university faculty and company executives acting as mentors, students worked on a variety of projects which took large amounts of the company's accounting data and built sophisticated management dashboards and valuation models for several business units within KP.

Faced with real-world problems, constraints, and commitments, students had to take learning outside of the classroom and learn how to navigate uncertainty and adapt to changes.

They had to combine academic knowledge with experiential learning, and to use their disciplinary knowledge in accounting to tackle practical problems through inter-disciplinary approaches to deliver meaningful solutions to KP.

### REAL-WORLD BENEFITS

KP allocated significant resources from its information and communications technology (ICT), human resources, and accounting departments to work with the students to ensure that their projects were practical and sustainable. Even as students learned from working with KP, these projects also delivered tangible benefits to KP.

Senior managers of KP found the dashboard and valuation models developed by the students to be relevant and useful for the company, particularly as it is in the midst of adopting new sets of key performance indicator tracking systems to evaluate staff performance and also seeking to expand its business.

Said Khemsath Philaphandeth, president of KP: "In today's increasingly competitive market, real-time and objective data is crucial to aid in the business making-decision, and identify and grow talents in the company."

"The projects embarked on by the SMU students exactly helped in these matters and point out the areas KP needs to improve on in order to stay competitive in the market. Moreover, these projects also demonstrate the importance of collaboration, which KP hopes more companies in Laos can consider to embrace."

### DRIVING TRANSFORMATION IN THE ACCOUNTING SECTOR

Through our study trip to Laos, students learnt about the social, economic, cultural, and political setting in Laos and also had the chance to collaborate with a large Laotian enterprise to gain valuable experience in solving meaningful problems faced by the company.

At the same time, the disciplinary knowledge, technical knowhow, and fresh perspectives which students brought to the collaboration also led to tangible benefits for the company in an area where it needed help.

Aside from Laos, Singapore also works closely with other countries in Asean to develop their accounting sectors.

For example, ISCA recently signed a memorandum of understanding with the Myanmar Institute of Certified Public Accountants to co-develop the accountancy profession in Myanmar through capability-building programmes.

In many of these countries, there is great potential for innovative collaborations between academia and industry that can contribute to the development of their accounting sectors.

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