

## CLSA EXECUTIVES CREATE EXPANSION PLANS FOR ELECTRIFICATION AND CLEAN WATER INITIATIVES IN RURAL LAOS



**YLP Participants from CLSA gather information on how solar power driven electricity will benefit rural farming practices in Laos. Photo: Thomas Tang**

In May 2008, 21 young executives from **CLSA** travelled to rural Laos to take part in a life-changing experiential learning programme. They found the experience to be a world apart from the high rise offices in Hong Kong where they had spent the previous three months in a demanding induction programme. CLSA, a leading equity brokerage, investment banking and asset management services provider, is unique in that its management training programme, the CLSA Academy, goes beyond technical training to provide socially conscious leadership development opportunities to new hires.

Handpicked by CLSA, these executives from all corners of the world were selected from over 3,000 candidates to be future leaders in the organisation. After weeks of training in investment analysis and sales, the next part of their grooming entailed taking part in the **Global Young Leaders Programme (YLP)** in Laos run by the **Global Institute For Tomorrow**. The YLP is aimed at using executive learning as a means of also bringing business solutions to rural development issues and thereby linking corporate interest to positive effects for society.

As part of this programme, the group spent a week in rural Laos working with an existing renewable energy enterprise, SUNLABOB Renewable Energy Ltd. During this time they

**TOMORROW MATTERS**

consulted with villagers and local investors on solar power driven devices to bring much needed electricity and clean water to communities.

“The YLP will provide our management trainees with an opportunity to work as a team on a real business project with tangible results for developing communities. This experience will better equip our executives to understand future markets and customers and the complexities of doing business in Asia.” said Laurie Young, CLSA’s managing director of organisational development and member of the Board.

### **SUNLABOB’s Vision**

The task assigned to the group of bright Young Leaders was to work with SUNLABOB to come up with a business plan to help them expand their current business model with respect to bringing clean water and portable light to villages in off-grid rural areas. Licensed in 2001, SUNLABOB Renewable Energy Ltd. is a profitable enterprise, which, apart from hardware and energy services, has a unique rental service offering energy to off grid areas at affordable rates. The company’s model is based on encouraging income generating activities, by training rural entrepreneurs to become franchisers of SUNLABOB’s renewable energy product and services.

There is a huge demand for electricity in Laos; only 45 percent of the population has access to grid supply. Spotting this niche, SUNLABOB has been providing commercially viable renewable energy solutions and field-tested reliable equipment, packages and products such as solar powered water pumps and solar home rental systems.

Being a business in a developing economy, SUNLABOB is not a typical enterprise. The company’s vision is one that embodies hope and eventual prosperity for rural communities through the enabling technologies of solar power. But as the company has grown, so too have the challenges associated with propelling it into a commercial entity with robust management capacity and systems. The objective of the Laos YLP was to bring the minds and skills of the CLSA executives to not just look at the financial models but also to assess SUNLABOB’s future business strategy in this unique setting.

### **Seeing Life Through Others’ Eyes**

A key strength of the YLP is the opportunity it provides for Young Leaders to see life through the eyes of others. One of the participants, Fei Wu explained that, “The experience in Laos opened up my mind in new ways. Happiness is an attitude. The villagers in Laos didn’t have much in their lives but they are able to be content...I was inspired by the stories of those trying to transform the world.” Wu is from mainland China; others in the team originate from Australia, India, Turkey, the United States, Canada, Korea and the United Kingdom. This multicultural group spent many long hours working in the field with the SUNLABOB team interviewing villagers and conducting research analysis.

In Nam Ka village in northern Laos where the group flew from Vientiane, team members explored the option of upgrading a hydro technology system, previously established by the Chinese government. The initiative would entail setting up a hybrid village grid using existing hydro technology supplemented by solar power and diesel combustion. Successful

implementation of small projects like this can make a world of difference to villagers. For example a solar home system providing enough energy to run a small refrigeration chest to store medicine as well as a water purification system for clean water could ensure sanitary treatment means for health centers that treat scores of villagers. Villagers also derive direct benefit from the solar water pumps which draw up water from the river to irrigate fields of corn and bananas making additional income available for members of the community.

### **Developing the Business Plan**



**Participants work intently to put together the business plan for SUNLABOB. Photo: Amanda Chiu**

Working long hours into the night, the Young Leaders put their Academy skills to good use to develop the business plan for SUNLABOB. Using “willingness to pay” models, it was found that by promoting and pricing the products at an affordable range, there would be sufficient uptake to enable the business to make a sustainable profit. This could be expanded as villagers, with newly found access to clean water and energy, would be able to start up new enterprises such as running rice mills, water pumps, woodworking machines and food processing equipment. This in turn would open other avenues of finance such as microfinance lending which could lead to wealth generation and prosperity.

The climax of the programme was a presentation to potential investors from development agencies and micro-finance institutions who came to hear the Young Leaders recommendations. Andy Schroeter, CEO of SUNLABOB, was impressed with the efforts of the week “This has opened my eyes to a whole new way of getting funding”, he said.

The business plan will subsequently be presented to the CLSA Foundation Board and other potential investors in effort to raise the much needed funds to help SUNLABOB and Schroeter realize the vision of bringing clean water and electricity to communities in need. Given the positive feedback, the Young Leaders were confident about the results. "I am hugely optimistic for funding for SUNLABOB and pretty proud that we all had something to do with it.", stated participant, James Watson.

As participants move on to their job placements at CLSA offices around the world, it is clear that the experience has left a deep impression. According to one member, Vivek Gandhi, "the last two weeks have been both enjoyable and challenging. Challenging because of the intensity of the work or what is at stake for SUNLABOB. I still see certain levels of tension or misunderstanding when you put people from the East and West together, which can be frustrating but this can also lead to brilliant ideas."

**About the Global Institute For Tomorrow (GIFT)**

Based in Hong Kong, GIFT is an independent think tank aimed at bringing together technical and commercial expertise with key knowledge on the issues concerning corporate social responsibility and sustainable development, and the influence of the region's economies. The organisation works with business leaders and government policy makers on the challenges of globalisation and Asia's development needs to realise the opportunities therein.

*Note: If you are interested in the business plan and the opportunity to invest in this unique project, please contact GIFT.*

*For further information, please visit our website at: [www.globalinstitutefortomorrow.org](http://www.globalinstitutefortomorrow.org)*