



Project Report

Indiana University Kelley School of Business

United States Market Access Research and Proposal for Doi Tung Handicrafts

Executive Summary

The Mae Fah Luang Foundation has partnered with Indiana University in Indiana, United States of America to provide experiential learning to business school students and to provide the organization with in depth research and advice on issues of our choice. The course is designed around a live consulting engagement with the Doi Tung Development Project. Students engaged in an eight-week coursework experience, that started in September 2018 and during which they studied the best practices for consulting work, as well as learned about Thailand and the MFLF/Doi Tung work. The objective was to form a sound and actionable strategy for the Foundation's entry into the United States market for our social enterprise that produces artisanal handicraft products, focusing on textiles, such as scarfs, pillow cases, and tableware with the target sales of 30,000 USD per year.

Three different teams gave three different proposals for market access. The first was to expand on our current relationship with IKEA but with a focus on the US market as well as other like-minded social impact brands. The second team presented a proposal to sell items in luxury spas and resorts in the US given our target market. And the third was to utilize Amazon for online sales. These proposals were well received by both Marketing and Sales to implement some if not all the recommendations. The partnership with Indiana University is planned to continue in 2019.



Indiana University Business Students Military Base at Thailand – Myanmar border



Project Structure:

The project liaison between the professor, students and Mae Fah Luang was Andrea Skinner with support from the Strategy, KLC, Sales, Marketing and Finance team. Visit-orn Rajatanarvin was the liaison last year and she did a comprehensive project handover to Andrea. The course program consisted of 3 bi-monthly calls between students and relevant internal teams on September 4th, September 18th and October 1st leading up to a country visit during the week of October 15th to 19th. Selected representatives from the MFLF team interfaced and was interviewed by the students. For the most part, the team received questions in advanced of the calls. The students were divided into 3 teams of 5 for each team present a proposal, giving the foundation a larger range of viable options to pick and choose from when deciding how to move forward with US market penetration. The three team names were KLEAR, Siamese Soul, Thaiger Management. During the week of Oct 15th to the 19th, students flew to Thailand to spend a week seeing and learning about the Foundation. They spent a day in a half in Doi Tung seeing the project first hand and then spent two days in the Bangkok office interviewing key staff for their recommendations. On the 19th, students presented their recommendations to an audience in Bangkok.

Project Objective:

The objective is to form a sound and actionable strategy for the Foundation's entry into the United States market for our social enterprise that produces artisanal handicraft products, focusing on textiles, such as scarfs, pillow cases, and tableware with the target sales of 30,000 USD per year.

- Understand different supply chains available to reach potential US customers
- Understand the competitive dynamics in the market, including direct competitors, market segments, and pricing strategies
- Understand the best approach to penetrate the US market in order to achieve sales goals.

Project Deliverables:

The final deliverable is a comprehensive, actionable plan containing the following:

- Market size and segmentation analysis
- Competitor analysis and profiling
- Potential customers analysis, including key influencing traits for making purchase (e.g. branding and product story)



- Stock management (online vs partnering with local distributor), including breakdown on cost structure and margin for respective approach
- Pricing strategy and analysis, including pricing tools
- Marketing strategy
- Overall recommendation

Project Background:

The Doi Tung Project has experienced great success over the last decades, expanding in a variety of areas including artisanal handicrafts. Doi Tung has a number of local shopping outlets in Bangkok that sell their production and more recently has partnered with IKEA to distribute their products through IKEA special collections. Although the partnership has been fruitful in giving access to a global clientele, the Doi Tung Project would like to explore other avenues that concentrate the focus on the US market, where its penetration is currently negligible.

MFLF Participation:

Received students in Doi Tung:

1. Ms. Panida (Pui) Jiravarnsirikul, Strategic Planning Manager
2. Ms. Andrea Skinner, Programme Manager
3. Mrs. Apinya Koedsil (Joy) Division Manager, Strategic Marketing
4. Ms. Junya Detpattanakit (Jan) Disseminate Officer
5. Ms. Pimsuda Kulsiri (Net), Secretary of director of sale,
6. Mr. Sopon Aryi (Macadamia plantation)
7. Mr. Luang Namyee (Coffee plantation)
8. Mrs. Kham Takhamjing (weaving factory)
9. Ms. Pang Wongyai (Mulberry paper factory)
10. Mrs. Khamnuan Nansai (Coffee factory)

Conference call meetings and interviews:

1. Mrs. Weeranuch Pattanabunpibool (P'Nuch), Director of Sale
2. Mrs. Palisara Suevarachai (P'Golf), Internal Control Manager
3. Ms. Varanuj Hansuebsai (Aim) - Senior - Strategic Marketing & Digital Specialist
4. Ms. Supitcha Visetpongaree (Pop) - Strategic Marketing & Partnership Specialist
5. Ms. Parinada Voravarn Na Ayuthaya (Pat) Strategic Marketing & Communication Specialist



Coordination Support:

1. Ms. Visitorn Rajatanarvin, Knowledge Management Manager
2. Ms. Natworarat Khantisit, Manager of Strategy and Partner Engagement

Joined Celebration Lunch:

1. Dr. Sandro Calvani, Senior Strategic Advisor
2. Dr. Thanapong Duangmanee, Environmental Engineer
3. Ms. Parinada Voravarn Na Ayuthaya (Pat) Strategic Marketing & Communication Specialist
4. Ms. Panida (Pui) Jiravarnsirikul, Strategic Planning Manager
5. Mrs. Apinya Koedsil (Joy) Division Manager, Strategic Marketing
6. Ms. Supitcha Visetpongaree (Pop) - Strategic Marketing & Partnership Specialist
7. Ms. Patomporn Pongnin (Bow) Social Enterprise Developer
8. Ms. Andrea Skinner, Programme Manager

IU Key Partners:

1. Professor Alex Lopes, Clinical Professor, Indiana University
2. Mr. Ramesh Venkataraman, Associate Dean, Indiana University
3. Mr. Peter Teerapol Boonjareon, Director of ASEAN Gateway Office

In country site visit:

During the week of October 15th to 19th, 13 business school students and two professors from Indiana University's Kelley School of Business came to Thailand for a week site visit, spending a day in a half at Doi Tung to visit our factories and project site, two days in our Bangkok office conducting research via interviews with the marketing, finance, sales and strategy team, and a final day presenting their findings on a marketing project that we have assigned them.

On October 15th, Andrea, Pui Net and Joy traveled to Chiang Rai with the 13 business school students from Indiana University and two professors on a site visit. Jan met them there with support from KLC to help with the program. Upon arrival, the students heard a brief by Andrea on the history of the organization, our development methodology, the rise of the social enterprise and the overall issues tackled by the project. Most of the questions were around exporting the model of sustainable alternative development, what kind of products are produced in other countries and output capacity of our factories.



On the morning of October 16th, the group visited the Military Base at the border to get a sense of the environment. They were given an explanation of the problems and issues the area faced when the project started as well as the importance of community trust building and participation. Unfortunately, the soldiers commanding the site had to go take care of an emergency nearby students were unable to go into the gate, however, they were able to still see the view of the area and then the students were also taken to the abutorium to see the view of the border as well as walk around the natural garden.



Speaking with the local community

Mid-morning, the students had a session with 5 community representatives to get a first account of life before the Doi Tung Project. who gave an overview of life prior to the project as well as spoke about the benefits of the project along with challenges initially. Both Jan and Pui translated the session. The students were deeply engaged and asked questions about youth leaving the area for city life and comparing it to the United States. They also asked about how the representatives felt about bringing their product to the US market and questions about the influence of their culture on designs.



Students visiting Navuti Factory

After lunch, the students visited the Navuti Factory and learned about economic forestry and about the private-public partnership. The factory was in the process of baking cookies so many were excited by the smells. They were very engaged in the explanation of coffee forestry management and ask questions about natural pesticides and the types of trees in the forest. The student's main attraction was the cottage industries as they were to focus on handicrafts for selling to the US. They toured the weaving factory, mulberry paper and coffee roasting. We decided to substitute the ceramics for a conversation with ---logistics manager--- As they wanted to know more about our shipping and storage process for their understanding on how to advise us when trying to enter the US markets.



Students visiting the factories and Hall of Inspiration

The students spent the early evening in the Hall of Inspiration to understand more about the King Rama 9's sufficiency principle and the history of the Princess Mother. They then had dinner and returned back to Bangkok to prepare for 2 full days of interviews and working on their presentations.

Staff Interviews:

The different teams occupied the Training Room on the second floor of the Bangkok office from October 17th to 18th. The team coordinated internal interviews for the different teams to have their questions on shipping, pricing, production capacity, amount other factors that would help shape their recommendations.

Presentations of Proposals:

On the morning of Friday October 19th, 2018, the three different team with three vastly different proposals to US market access gave about a 15-minute presentation on their proposal along with a short Q and A session. About 20 MFLF staff attended the presentations including representatives from Sales, Marketing, and CSE.



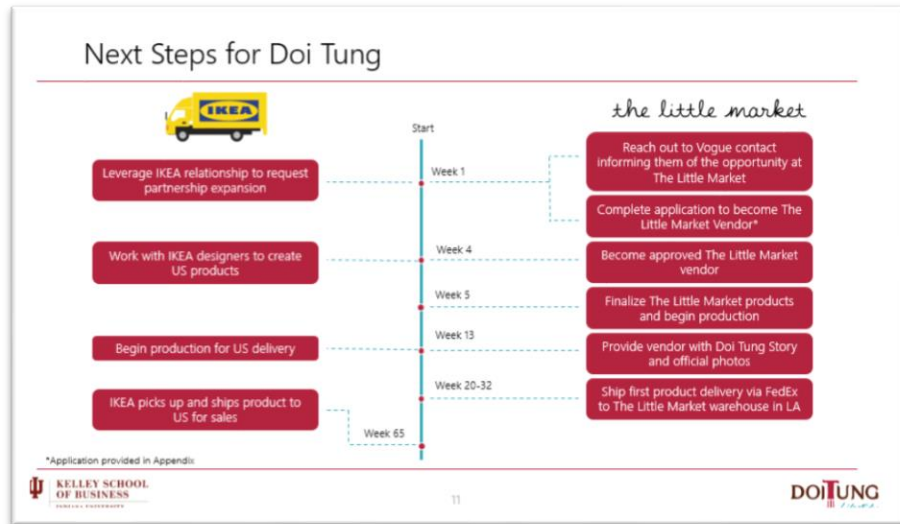
Presentation Audience

Thaiger Management

The first team researched and determined that if Doi Tung used existing relationships with IKEA, we could penetrate their US market. They proposed that the work and relationship has already been established and encouraged the organization to tap into this relationship to further expand our reach. They also did research to identify a list of 5-10 additional vendors in the US to pursue who have similar social impact goals. One in particular that was identified as having a similar target market is called The Little Market. This was started by a US based reality TV star who created a



platform to support women in other countries an avenue to sell their own handicraft and homemade products. This falls in line with our promotion of women and livelihoods. They will be providing us with the full list and contacts to access these vendors.



KLEAR

The second team research our target market and identified that an avenue to access the US market is through identifying well-being spas and resorts and selling our handicrafts in those stores. Our market is women who have disposable income and are interested in social impact. Therefore, people who are going to the spas or resorts are able to afford our items and are interested in the story of Doi Tung and the impact that their dollars could have. The team identified a few venues for the organization to touch base with along with contact information. This team reiterated Mae Fah Luang Foundation's development principles in their presentation and how they tried to incorporate them into their thinking for their recommendation, specifically around 'helping people help themselves.'

Solutions We Evaluated

	Socially Conscious Consumers	Premium Consumers	Substantial Volume
High End Retailers		✓	✓
Celebrity Influencers		✓	✓
Cruise Ships			✓
Day Spas			✓
Holiday Collections		✓	
Limited Launch		✓	
Online Handicraft Outlets	✓	✓	
University Tourists	✓		
Spa Resorts	✓	✓	✓



Siamese Soul

The final team presented a comprehensive online marketing plan through Amazon. From comparing logistical costs for exporting the products to detailed financial calculations and tools for Doi Tung to use when starting to execute on the plan. They included a recommendation that a big challenge of selling online is that people cannot touch or cannot see the products and therefore, Doi Tung could include a video tutorial showing someone who is describing the product to the viewer to showcase the details of the product and describe the touch, color, feel and quality of the items.

After the presentations, the group along with 6 staff enjoyed lunch together at Secret Garden on Sathorn as a goodbye to the students. IU hosted the event.



Siamese Soul Presenting

Professor Alex, Ramesh and Peter, IU coordination, had a feedback discussion with Andrea where they reported having a great relationship and partnership with the organization. They expressed that they have always felt treated well and having a high caliber experience. They did not that having Andrea as the liaison did provide a deeper connection, possibly due to similar backgrounds. IU did mention that they are looking for additional partners next year just to expand their programs.



Celebratory Lunch



Next Steps and other issues:

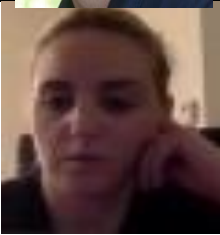
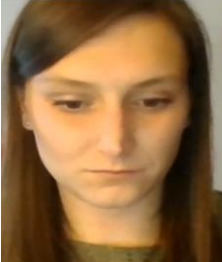
1. Students will send all proposal documentation with additional tools and information to support their proposal. MFLF will convene an internal meeting to review documents and potentially plan an implementation plan for proposals that could fit our strategy.
2. Following the internal meeting, Professor Alex will coordinate a meeting with Andrea and key MFLF staff to report on what areas were helpful and what were not to determine if proposals could be implemented. This is important so that the Professor can report back to the students in next year's program that the proposal were, in part or in entirety, put into implementation.
3. Professor Alex will check in with Andrea in February of 2019 to start conversations around planning for 2019. Since this year will incorporate additional partners, he said he would like us to really determine if we have a need for their work. We will always be their number one choice in partner but if we don't have work, there is room to skip a year. A final project proposal doesn't need to be determined until June of 2019.



ANNEX:
Participation List
Doi Tung Program
Bangkok Interview Program

Indiana University

No.		Name	Surname	Position or Team
1		Alex	Barsi Lopes	Clinical Professor Director, Technology Consulting Workshop, Indiana University
2		Ramesh	Venkataraman	Instructional Technologies, Indiana University Kelley School of Business
3		Roslyn	Hurt-Steverson	KLEAR
4		Liana	Hall	KLEAR
5		Anulekha	Venkatram	KLEAR
6		Elizabeth	Daily	KLEAR
7		Kevin	Gahagan	KLEAR

No.		Name	Surname	Position or Team
8		Reba	Cox	Thaiger management
9		Kevin	Tangen	Thaiger management
10		Christopher	Ruscher	Thaiger management
11		Deanna	Marks	Thaiger management
12		Alyssa	Fornek	Thaiger management
13		Jerrod	Jeffries	Siamese Soul
14		John (Tyler)	Morgan	Siamese Soul

No.		Name	Surname	Position or Team
15		Francis	Van de Beuken	Siamese Soul
16		Jason	Jones	Siamese Soul
17		Brett	Deccy	Siamese Soul

โปรแกรม

คณะ Indiana University (มหาวิทยาลัยอินเดียána)

ระหว่างวันที่ 15 – 16 ตุลาคม 2561

วันจันทร์ ที่ 15 ตุลาคม 2561

14:35 - 16:00 น.	เดินทางสู่สนามบินเชียงใหม่ด้วยสายการบิน Air Asia FD 3207
16:00 น.	เดินทางถึงสนามบินเชียงใหม่
16:30 - 17:30 น.	ออกเดินทางไปยังโครงการพัฒนาโดยตุงฯ
17:30 - 18:30 น.	ฟังบรรยายหลักการพัฒนาดำเนินการแม่ฟ้าหลวง ณ ห้องประชุม VIP
18:30 – 19:30 น.	รับประทานอาหารเย็น ณ ศาลาลีลาวดี และเชคอิน ณ ดอยตุงลอร์ดจ

วันอังคาร ที่ 16 ตุลาคม 2561

07:30 - 08:30 น.	รับประทานอาหารเช้า ณ ศาลาลีลาวดี
08:30 - 09:00 น.	ออกเดินทางไปยังฐานทหารดอยช้างมูบ
09:00 - 09:30 น.	ชมพื้นที่ชายแดนระหว่างประเทศไทย-เมียนมาร์ ณ ฐานปฏิบัติการ ทหารดอยช้างมูบ
09:30 – 10:00 น.	ออกเดินทางไปยังโครงการพัฒนาโดยตุงฯ
10:00 – 10:20 น.	รับประทานอาหารว่างหน้าห้อง VIP

10:20 – 12:00 น.	พูดคุยกับกลุ่มผู้อาวุโส ผู้นำชุมชน และกลุ่มคนรุ่นใหม่ดอยตุง ณ ห้อง VIP
12:00 – 13:00 น.	รับประทานอาหารกลางวัน ณ ครั้วตำหนัก
13:00 – 13:10 น.	ออกเดินทางไปยังนุติ ไซด์ 1
13:10 - 14:10 น.	เยี่ยมชมแปลงปลูกป่าเศรษฐกิจ แมคคาเดเมีย และโรงงานแปรรูปแมคคาเดเมีย "บริษัทนุติ จำกัด ก่อตั้งขึ้นในปี พ.ศ. 2532 เป็นความร่วมมือกันเป็นของภาคเอกชน ดำเนินการปลูกป่าเศรษฐกิจในพื้นที่โครงการพัฒนาดอยตุง โดยเลือกพืชที่ผลผลิตมีมูลค่าทางเศรษฐกิจสูง สามารถนำไปแปรรูปและเพิ่มมูลค่าได้อย่างต่อเนื่อง สามารถสร้างรายได้ให้คนดูแลในระยะยาว เป็นตัวแปรสำคัญที่ทำให้คนกับป่าอยู่ด้วยกันอย่างพึ่งพา พืชเศรษฐกิจที่โครงการพัฒนาดอยตุงฯ เลือกมาส่งเสริมคือ กาแฟพันธุ์อาราบิก้า และแมคคาเดเมีย ปัจจุบันกลายเป็นต้นแบบของการดำเนินธุรกิจเพื่อสังคม"
14:10 - 14:30 น.	ออกเดินทางไปยังศูนย์ผลิตและจำหน่ายงานมือ
14:30 - 16:00 น.	ชมศูนย์ผลิตและจำหน่ายงานมือ "ครั้งแรกก่อตั้งขึ้นมาเพื่อเป็นศูนย์ฝึกอาชีพด้านหัตถกรรม เป็นพัฒนาขึ้นกลางน้ำ โดยการสร้างงานสร้างอาชีพ เพื่อให้ชาวบ้านมีรายได้ที่มั่นคง พอเพียง โดยการต่อยอดจากภูมิปัญญาเดิมของชาวบ้าน และเสริมในสิ่งที่ขาด โดยการให้วัตถุดิบที่มีคุณภาพ อุปกรณ์ที่ได้มาตรฐานเหมาะสมกับการทำงาน ตรวจสอบคุณภาพทุกขั้นตอน สำคัญคือผลิตภัณฑ์ต้องออกแบบตามที่ลูกค้าหรือตลาดต้องการ และชาวบ้านเองจะได้เรียนรู้การทำงานจากการปฏิบัติจริงด้วยตัวเอง เป็นการพัฒนาทักษะความชำนาญเพิ่มขึ้นไปอีกด้วย ซึ่งประกอบไปด้วย
	• ชมโรงงานทอผ้า เย็บผ้า • ชมโรงงานกระดาษสา • ชมโรงงานควักกาแฟดอยตุง

- ชมโรงงานเซรามิก

16:00 - 16:20 น.	ออกเดินทางไปยังโครงการพัฒนาออยตุงฯ
16:20 - 17:00 น.	เยี่ยมชมหอแห่งแรงบันดาลใจ
17:00 - 18:00 น.	เยี่ยมชมพระตำหนักออยตุง
18:00 - 19:00 น.	รับประทานอาหารเย็น
19:00 - 20:00 น.	ออกเดินทางสู่สนามบินเชียงราย
21:45 - 23:00 น.	ออกเดินทางสู่กรุงเทพฯ ด้วยสายการบิน Air Asia FD3206

หมายเหตุ : โปรแกรมอาจมีการเปลี่ยนแปลงได้ตามความเหมาะสม

Bangkok Office Interviews				
		Klear	Thaiger	Siamese
Wednesday	9:30am to 10am	Team meeting	9:30 to 10:15 Doi Tung Marketing Team (Aom and Joy 45 mins)	9:30-11 Strategy team/HR (Puii)
	10am to 11am	10:15 to 11 Marketing Team (Aom and Joy 45 mins)		
	11am to Noon		General questions (Andrea)	11-11:45 Marketing (Aom and Joy 45 mins)
	Lunch			
	1pm to 2pm	1-2 Finance Team (Pim)		
	2pm to 3om		2-3 Doi Tung Shipping and Operations Team Review (Puii)	2-3 Finance team (Pim)
	3pm to 4pm	3-4 Supply Chain/Operation Team (Puii)		
	4pm to 5/6			
	Dinner			
	Evening	Work on Presentation	Team Meeting and Recap on Learnings	Work on Presentation
Thursday	9:30am to 10am	Any pending interviews	Any pending interviews	Any pending interviews
	10am to 11am	Work on Presentation	Work on Presentation	Work on Presentation
	11am to Noon			
	Lunch			
	1pm to 5/6	Work on Presentation	Work on Presentation	Work on Presentation
Dinner				
Friday	9:30-9:40	Introduction of Program (Andrea and Alex)		
	9:40-10:15	Team 1 present		
	10:15-10:50	Team 2 present		
	10:50-11:25	Team 3 present		
	12pm to 1:30 Lunch at Secret Garden on Sathorn			