

Chiba University Leading Research Promotion Program Hybrid Seminar (in English)

How to Start up a Business in the Post Pandemic Fair Society: Entrepreneurship and Best Business Practices

Date & Time : 21st Feb. 2024(Wed), Japan

Abstract: This is a research essay based on the transcript of the international hybrid seminar meeting entitled “How to Start up a Business in the Post Pandemic Fair Society: Entrepreneurship and Best Business Practices”. Professor Patrick Charlton (Professor of Business and Hospitality, Algonquin College, Canada) and Professor Chris Castillo (Professor of Business and Hospitality, Algonquin College, Canada) who are well versed in entrepreneurship, marketing and business management, addressed the role and practicality of start-up business in the post pandemic society, with Canadian and Japanese contexts in perspective, and entrepreneurship and social fairness are the two important considerations in business sector with interests in innovative reskilling during their collaborative presentation. Then discussion was initiated, and research ideas were exchanged afterwards.

Moderator

- **Prof. Hikari Ishido (Chiba University)**

Panelists

- **Prof. Patick Charlton (Algonquin College)**
- **Prof. Chris Castillo (Algonquin College)**
- **Prof. Jiro Mizushima (Chiba University)**
- **Prof. Masaya Kobayashi (Chiba University)**
- **Prof. Takayuki Kawase (Chiba University)**
- **Assoc. Prof. Xiang Li (Chiba University)**
- **Dr. Xiaofang Zhang (Chiba University)**
- **Dr. Steve Liang Fang (Chiba University)**
- **Dr. Alfonso Torrero (Universidad Autónoma Metropolitana)**

Organizer: Chiba University Global Fair Society Program

Introduction (by Prof. Hikari Ishido)

This is our hybrid seminar on “How to Start up a Business in the Post-Pandemic Fair Society”. We have about two hours. Please ask questions because the professors are here to take up your questions and answering your questions.

We live in this fairness-oriented society especially after the pandemic. During the pandemic period we needed to collaborate with each other in terms of business, in terms of going to school or staying home. We needed some kind of social lesson on how to collaborate in a fair equitable manner. That’s why especially after the COVID-19, fair society concept is very important for our business.

Opening remarks**Prof. Patrick Charlton**

We’ll cover best practices for entrepreneurs starting a business in a post-COVID environment. First, let’s introduce ourselves. I’ve spent twelve years at Algonquin College as a professor in the School of Business, focusing on entrepreneurship, professional selling, business-to-business marketing, retail, and B2B business management.

My current focus is on sales, especially selling techniques. We offer a specialized post-graduate program, a new initiative at the college, because our industry in Canada requires advanced sales skills. Students are increasingly interested in enhancing their selling abilities to help companies generate more revenue. As a professor and coordinator of the program, I focus on developing these skills with our students.

I ventured into entrepreneurship at a young age, starting a food business after college. It was a catering-style venture that I ran for five years, employing staff and gaining valuable experience. This early exposure to entrepreneurship shaped my career. Later, I transitioned to the services sector, focusing on consulting in the sales and marketing space. I help companies refine their sales strategies and processes. This role complements my teaching because it allows me to share current industry insights with my students, keeping the coursework relevant and engaging.

Beyond teaching and entrepreneurship, I collaborate on various projects to offer my students meaningful experiences. These activities include competitions, special events, and boot camps. I’m actively involved on campus, ensuring that students have opportunities to apply their learning in real-world settings. For example, we’re currently in Japan to explore partnerships and strengthen relationships with two schools, demonstrating our commitment to expanding educational experiences beyond the classroom.

Prof. Chris Castillo

I’m originally from Chile in South America. I was born in the northern part of Chile, Antofagasta. People always ask me where I learned how to be an entrepreneur. I always say my mom and I, when we were in Chile, we had to learn how to survive. The government was poor. If you don’t work, you don’t eat. It’s as simple as that. You had to learn to be an entrepreneur to be able to survive. That’s really where I learnt how to be an entrepreneur so my mom and I could survive and eat for the day. And then, we moved to Canada. We were in Vancouver. And in Vancouver that’s where I started a lot of businesses. I started over 10 businesses with jean manufacturing, film company, a coffee shop, internet business, restaurant, and so on. And then, I was doing international business consulting. I worked with the United Nations and international bodies that’s why I moved to Ottawa and built my businesses there. Then I joined the Algonquin College to teach international business at first and then to teach entrepreneurship.

How to Start up a Business in the Post Pandemic Fair Society: Entrepreneurship and Best Business Practices (Presented by Prof. Charlton & Prof. Castillo)

Prof. Patrick Charlton

These are the main points that we want to discuss today (Figure 1).

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- 1) Have P.O.P. (Passionate, Opportunistic, & Persistent)
 - 2) Determine Your Strengths & Weaknesses
 - 3) Find a solution for a problem - Find & Define Customers
 - 4) Create a compelling Value Proposition
 - 5) Have a plan - BMC
 - 6) Determine regulations for starting your business
 - 7) Register Your Business (Sole Proprietorship, Partnership, Corporation or Non-Profit)

Figure 1

Prof. Chris Castillo

The first point I want to talk to you about is P.O.P, and number one is passionate. Passionate means that you have to have the interest in the business that you would like to be involved in. That passion you need is the motivation. It will help you get up in the morning and it will also help you to continue at night time while you're doing your business. If you're not passionate, then your motivation goes down. And then, it becomes harder and harder to do something because you are not interested. When you have the passion, it becomes easier to be able to sell and be able to do business because people can feel your energy. For me, teaching is something that I'm passionate about. And so, I find that my time sometimes goes really quick. The point number one with P.O.P is you want to make sure that you have a passion. It's something that you are interested in. Some students, maybe want to get involved in a business because of their family. That's their family business. But if you don't have no passion, then you're not going to have the motivation to continue to do that.

Number two is being opportunistic. What that means is that you have to look around and see the opportunities. You have to see the opportunities where people don't know that your opportunities are there. But you have to find those opportunities in the marketplace. For that, you're constantly looking around for opportunities to make a product or service, and make it better, faster, cheaper, more convenient for people. For that, you need the mindset of being opportunistic. You have to see an opportunity and then you have to go and jump and start the business.

And number three is that you have to be persistent. When you finish your school, no one knows you. The issue is credibility. Who are you? Why should I buy from you? People don't even know your business. You have no experience, no track record. And so, the main challenge with entrepreneurs at the beginning is credibility. You have to continuously go out to talk to customers, sell the product and service. Some people will not be sure about hiring you or actually buying your products or services. They may be reluctant because you have no credibility. But if you're consistent and you are persistent in what you're trying to build then you will find success. Those three things are really important in the concept called P.O.P, of being Passionate, Opportunistic and Persistent.

Prof. Patrick Charlton

I remember having a business as my primary revenue source. If I didn't have P.O.P, I would not have lasted five years. If I don't believe in my business, if I'm not passionate, my employees won't believe in my business. My customers won't believe in my business. They're going to

tell right away. Have you ever been served by, even at a restaurant, where the server doesn't want to be there? You can sense it. You can tell that they don't want to be there and it just ruins the environment of the customer's experience. What I've noticed is that Japan has excellent customer service. It really helps with my experience as a customer. I want to give the money, and I'm happy to, and I'm happy to come back. It's really key to have this P.O.P.

Just last thought on number one is the opportunistic part of P.O.P is essential.

We've had several discussions this week about positive psychology and its role in business, especially how to incorporate it into leadership and management strategy. Here's a quick tip to remember: Japan has a lot of 7-11 stores. Canada and the States have plenty, too. Now, consider this: "Problem" has seven letters, and "Opportunity" has eleven letters. As an entrepreneur, turn problems into opportunities with P.O.P. That's the "7-11" to keep in mind.

Prof. Chris Castillo

The second is determining your strengths and weaknesses. For yourself, you need to look at what are your strengths and what are your weaknesses. And for your business, you also have to think about the strengths of the business and also the weaknesses. For example, I will tell you my weaknesses which is I am not a manager that can work full-time in a business. I like to start a business because that's my strength. But my weakness is being a manager Monday to Friday, 9 to 5. I can't do that. I get bored and my energy goes down. That's why I like teaching because I don't have to go and work in my businesses. I like to start the business, and hire people, then I can pull myself out. Socrates says, "know yourself". This is very important fact of life. The more you know about yourself, the more successful you will be. There is no point in me trying to improve a lot of the management for myself when I know I don't like it. Because if that's a weakness of mine and I keep on trying to improve it, at the end of the day I'll have a very strong weakness. So I like to focus on what I like to do best, especially the things I'm passionate about and that I can do best and so on. When I am not managing my businesses, the businesses operate better. I like that. This means that I can leave and go out to do other things. I can play music, and I teach and come up with other business ideas.

Prof. Patrick Charlton

In our business courses, we've often referenced The E-Myth Revisited by Michael Gerber. The author describes how every entrepreneur must wear three different hats to succeed. The first hat is that of the "dreamer," or entrepreneur, who provides the vision and sets the company's direction. This role requires an understanding of where the business is headed and involves self-reflection to determine one's primary focus, leading to satisfaction.

However, beyond dreaming, you need to manage the business. This role involves ensuring that the business operates smoothly and that employees have the resources and support they need. This is the manager's hat.

The third role is the technician, the one who performs the hands-on work. For example, in Chris's ramen store, the cooks are the technicians. There's also a store manager who oversees the cooks and servers, and then there's the owner, the dreamer, who ensures everything is running smoothly. These three roles are critical for business success.

You might find different terms that suit your context, but the concept of having these three distinct roles remains crucial. It's a simple yet effective way to understand the varied responsibilities that come with entrepreneurship.

Prof. Chris Castillo

In our restaurant, when we make ramen, our key time is one minute and ten seconds. The noodles have to go into the hot water at a certain temperature, with one minute and ten seconds. Not nine seconds or eleven seconds, but just ten seconds. Like Professor Charlton is talking about, we create a system then hire people who run those systems.

McDonald's is the best example. McDonald keeps that the left pickle goes on top of the right pickle. You have to do that way. That's also the way I run my businesses is on systems. Once I have the system down, then I hire people to run those systems and then I could step back.

The next point is "find the solution for a problem". At the end of the day, you need customers. They must see the product that you're selling or your service as something that they need and so they will pay you for the product or service. You need to find the solution to the problem. But many times they have problems with pain and they want to reduce the pain. There's something that they don't like to do. There is something painful. They would buy an app, or they would buy a software to reduce that pain. Or maybe the customers want to buy something that brings them joy or pleasure. They would like something that's pleasurable so they buy more. For example, I like the coffees because it's pleasurable. Then I buy more. It's a good solution for me when I'm walking to a meeting. Then the products are the ones that are successful.

My recommendation is at the end of the day you need to find customers that could buy from you. Provide products and services that satisfy the needs and the wants that customers would want. But if you can't do that then there is no synergistic business relationship. You might have a good product but no customers. Or there might be customers but your product is not good. You won't have a good relationship and there won't be an exchange of money for the product being developed. You need to be able to help think about who exactly are those customers. For example, when I drive in Ottawa with my daughter, and we go to McDonald's to buy a happy meal. In that case, who is the customer? Me. I'm the customer because I'm buying it but she is the end user. She uses the product but I buy the product for her.

Therefore, when you are defining your customers, you need to really understand who are the people that are actually buying from you and who are the people that are using it. Maybe they are not the same. McDonald's knows their marketing, and they target me knowing that I will buy it for my daughter. In this point, number three, finding the problem a solution, also finding and defining the customers is very key. You have a customer that will buy from you. And you have a secondary customer.

When entrepreneurs launch a business, they should be aware of something called an invisible customer. An invisible customer is someone you don't know. You can not just sit in the office to write a business plan. You must go outside, and talk to people, then you will define and find customers. You have to be open to an invisible customer. Someone you don't know, or you don't see but they want what you are offering for sale.

Prof. Patrick Charlton

I love the example of the McDonald's and you are with your daughter who is 13 but ultimately it was paying for it. As an entrepreneur and from a marketing perspective, we use the term "primary customers", "secondary customers", "tertiary customers" and so on and that changes over time. Today, maybe I'm focusing on a demographic profile of people that are aged 35 to 45 and I'm determining that I'm selling more of my product to women. Not that I will refuse men. It doesn't mean that you have to refuse other people outside that primary goal. But it's to understand who your best customer is and what defines the best customer. Usually, it is what

they are willing to buy in your business and how much they were willing to buy. There is a financial aspect to that consideration.

You have to understand how much money you need to support the business, and understand the strengths and weaknesses. Often we find entrepreneurs have a struggle with the financial accounting. You are either really market driven or you are maybe more operationally driven and have more of a financial brain. Often hard to get both. When I talk to my students, I often find that financial acumen is lacking. If they don't know that, they are not going to be able to communicate properly. In a marketing poster, they won't know what colors to use, and how to décor business. They are not going to come up with this overnight. It takes a lot of investigative work, observation, data collecting, historical research.

Prof. Chris Castillo

And if I could just add to it because Professor Charlton talked about the primary business, it's so important to understand the primary market because it helps you to make decisions. For example, the Italian philosopher, Vincent Pareto talked about the 80-20 rule, which means 20% of the Italian population owned the 80% of the land. To business, it applies to daily life. For entrepreneurs, that primary market is key. This helps you to understand who that is so that you can make good decisions.

Another example, with the mechanic business that we have, 20% of the market is owned over 40 and it would be females. Our key marketing strategy to have specifically a women's group called Moms in Barrhaven through Facebook, and they've been helping to promote us with the service. The 20% is our target but other 80% are not our key customers.

In my coffee shop, there was a customer would walk in maybe once every two weeks, but would often complained and made our staff cry. And for me, I try to treat my employees as primary. So I fired the customer. I fired customers like him because they are 80% of the customers that only give me 20% of my sales. They are not the 20% that give me 80% of my revenue. The moment you start to understand and defining those customers, it becomes easier as the business owner, entrepreneur to make those decisions.

Prof. Patrick Charlton

Getting a clear picture of your primary customer is crucial for entrepreneurs. It allows you to focus your efforts on the people who matter most. While you serve everyone, you need to create an environment that caters to your key demographic. This focus helps you make informed decisions about costly elements like signage, color schemes, and advertising.

Professor Castillo mentioned Facebook as a social media platform. It's not for everyone, but it's popular among women in specific age groups who spend the most on your product. Using a targeted approach is often more effective. There's a saying, "Play in your customer's sandbox." This means that by understanding your primary customer, you can save money, time, and stress while focusing on the right strategies.

Sometimes, you might need to "fire" customers. If a customer isn't the right fit for your business or causes too much stress, it's okay to suggest they find another provider. As Professor Castillo pointed out, it's crucial to balance customer satisfaction with business sustainability. You should try to work with a range of people but don't hesitate to make tough decisions when necessary.

Prof. Chris Castillo

Next is "Create a compelling value proposition". I would like to take my Japanese ramen store as an example. We were the first ramen restaurant to open in Ottawa. My Japanese partner and

I wanted to bring the flavors of ramen we learnt in Kyushu to Ottawa to sell. Then the value proposition would be compelling. What is the value that the customer would get if they buy from you? For us, it's authentic Japanese ramen. It's authentic in the sense that my partner studied here in Japan how to make the ramen. We systemized the process to be able to bring it to Ottawa. In Ottawa, we have about 23 employees working there. But for Japanese employees, I think we have only two. The rest of the employees are Canadian, from India, Middle East, Mexican, a variety of countries.

When Professor Charlton was talking about E-Myth, it's about systemizing the business so anybody could go in there and fulfill the job that needs to be done in the business. Then the business is very open and fair, especially after pandemic, we allow anybody that has a good attitude, good ethics, good values that align to ours to create a culture. It makes it easier for us to hire them and work with them. And then, our retention rate is now low because people don't quit all the time and they're staying with us for a longer time. So we keep with that compelling value proposition which is authentic Japanese experience.

When COVID happened, the government ask restaurants to close down, but we survived and that's our compelling message. Our value proposition is buying from us because you would have a Japanese Tokyo experience and you're going to have authentic flavors in Ottawa. During COVID, many of our neighbors and businesses closed. But we were able to do good during because we provide a good quality authentic ramen experience for customers. That's what has made us be successful during COVID.

Prof. Patrick Charlton

Defining your value proposition is a key concept I share with my students and other entrepreneurs. It's about what makes your business unique and why customers should choose you. Professor Castillo mentioned that when you visit Koichi Ramen in Ottawa, you get an authentic experience that feels like you've been transported somewhere else. He achieves this through the environment, decor, and the high-quality ingredients used in his dishes.

To help students understand value propositions, I use the acronym FAB, which stands for Feature, Advantage, Benefit. The Feature is what your business offers—a tangible product or service. If you list the ingredients in a bowl of ramen, that's a feature. The Advantage is why your product or service is better than others. It could be the fact that your noodles are handmade, reflecting a commitment to quality. The Benefit is the most important part; it's what's in it for the customer. How does your offering make their life better? The benefit of authentic, handmade noodles could be a premium dining experience, with delicious flavors that make the customer happy.

I encourage my students to understand their product's strengths and weaknesses. For example, a feature might be a low price, but the advantage is that it's competitively priced for a high-quality product. The benefit is that customers get a great product without breaking the bank.

Running a business without a plan can work, but it's not ideal. Many entrepreneurs start by finding a customer and then slowly building their business. While this approach can work, it's less organized and might not align with your personal goals. Having a business plan helps you grow more efficiently and stay on track with your objectives.

Having a business plan is essential to grow your business more efficiently. What we often recommend is starting with a Business Model Canvas which I like to describe as a business plan on a napkin. It's developed by a company called Strategizer (Figure 2).

Business Model Canvas

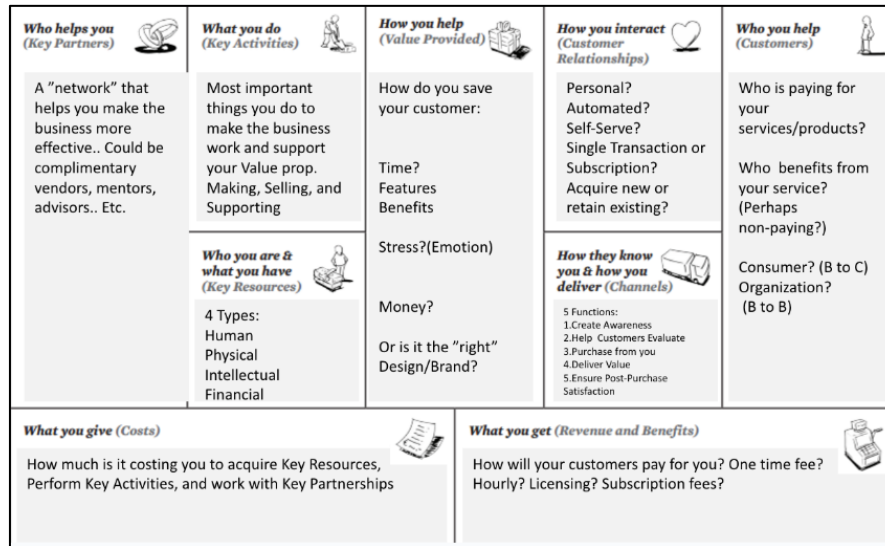


Figure 2

You can basically get the general idea of your direction with this canvas. Then, you can put it in a big 80-page business plan if you want to bring it to the bank or get that loan. But this is a kind of dashboard to make sure that you are considering the important business elements of what you do. I'm just going to explain it as a brief overview.

(In Figure 2) To build a comprehensive business plan, you can use a simple canvas to outline key elements. This canvas provides a dashboard to guide you in understanding the crucial aspects of your business. Once you have this outline, you can expand it into a more detailed business plan, perhaps for a loan application or a pitch to investors. Here's a brief overview of the components.

In the center of the canvas is your value proposition, where you would apply the FAB (Feature, Advantage, Benefit) concept. This is where you list what you're offering, the benefits to your clients, and what sets you apart from competitors. The key is to address stress, emotion, time, and money—common customer pain points. For example, if Koichi Ramen offers faster service than competitors, that's a unique selling point.

The right side of the canvas focuses on customer attraction and delivery. The "channels" section describes how customers discover you and how you deliver your product or service. This could involve marketing platforms like Facebook or other social media. It also addresses how customers physically access your product—do they visit a store, or do you deliver to them? The specifics matter here.

Next, identify your customer base. Define who your primary customers are and who benefits from your products. This section separates customers into B2C (business-to-consumer) or B2B (business-to-business) or both, depending on your business model. It helps to categorize customers because the approach to each might differ.

In the "customer relationships" section, describe how you interact with customers. This could be through direct contact, like a server or robot delivering food to a table, or a more casual approach, like meeting at a coffee shop for consulting. This section emphasizes customer satisfaction—what makes your customers happy?

Finally, the revenue section at the bottom covers how customers pay. It's crucial to consider various revenue streams. As Professor Castillo mentioned, always explore other opportunities to generate revenue with your existing business. Are there additional products or services you could offer? Could you diversify your income streams?

By considering these elements, you create a comprehensive business canvas that guides your business planning and decision-making.

Prof. Chris Castillo

For example, let's say you want to open up a consulting company. I would say what are the different ways that revenue will come into your consulting company? For me, I do one-on-one consulting. I charge per hour. Then I do workshops and I gather people. When I go to Dubai, we get together and I do a presentation in the Middle East. And they call me for keynote speaking usually for one hour. For a full day event, they want me to speak for one hour and be a keynote speaker. That's another revenue stream. Then I have workbooks as well too that I developed and I sell that. Number five, maybe t-shirts or pants. Those are the different ways to bring in revenue.

Prof. Patrick Charlton

It's easy for entrepreneurs to get stuck in a single focus area, neglecting other critical aspects of their business. Pricing strategy, which you'd cover in the revenue section, is a common pitfall. I made this mistake early on, pricing my product in a way that didn't align with my target market. My low pricing had a psychological effect, signaling lower quality to my primary customers. It would have been better to do more research, understand my market, and double my price. Instead, I was charging 50% less than I should have. This harmed my business and didn't attract the right customers. That's why pricing strategy is vital. You need to know your customer and how much they're willing to pay for your product.

On the right side of the canvas, you focus on customer relationships, which requires a heart-centered approach. It's about connecting with customers emotionally, emphasizing fairness and a value-based approach. The aim is to align your business's values with the needs of your customers. Stephen Covey's *The 7 Habits of Highly Effective People* highlights the importance of a lighthouse as a guiding value. Respecting employees and customers should be part of your internal culture and communication.

On the left side of the canvas, you find key resources. This section is crucial for understanding what you need to start and operate your business. Consider the human resources category. Who will be working in your business? What are your staffing needs? Then, think about physical assets. Do you have the necessary equipment, like computers, office space, chairs, or other essential items? Consider transportation needs. Do you have a vehicle, or do you need one to serve your customers?

Intellectual property is another significant aspect. In Canada, it's vital to improve in generating and protecting ideas through patents and copyrights. This also involves financial planning. Understand your current financial status and determine if you need additional capital.

In summary, by exploring both the left and right sides of the business canvas, you get a comprehensive view of your business's structure and approach. This balanced perspective helps you avoid common pitfalls and focus on the elements that drive success.

Intellectual property is a big part of your business. In Canada, we need to get better at generating and protecting our ideas through patents and copyrights. How much money you have or if you need money is considering again that part.

Prof. Chris Castillo

I just want to add just a quick example. Let's take a look at the Chiba University. Number one, who is the customers for Chiba University? High school students, professionals, people that need to upgrade their skills. Defining who those customers are on the right side is key. Once

we have that, let's move into the value proposition. What value does Chiba provide to those students that you have identified, the high school students, the professionals? Chiba University will provide education, a network of people, job opportunities. That's the value proposition. How does Chiba provide the service of education? Will you have to come to Chiba campus? Maybe there is an online class as well. That's another way as well too to be able to provide the channels. And then, to reach the high school students, how do you find the high school students? Do they do newspaper ads or Instagram ads? Or does Chiba do visits to the campus? What are the different ways to be able to connect with them? And then, for the customers, to get the value, how you start now to build a relationship with them.

At Algonquin College, we have a registrar. We have people who are advisors. They provide that connection to the students to be able to get the value that they need. If I go to Amazon, I put my product. I pay, and it is done. I don't talk to anybody. But at Chiba University, you have to call the registrar or call the advisors and so on. And then, we have the revenue streams. At the bottom of that, how do you make money? Chiba University charges for a fee. They also get money through our revenue stream from the government. Chiba also has the key relationship with that government for that revenue stream. At Algonquin College, the majority of our funding comes actually from the government. We need to have that key relationship with them. That's the revenue side.

On the left side is we have now the things that are needed to be able to provide that service. We need to do key activities. An activity is you come to Chiba University and the teachers teach. The key activity is teaching and doing exercises and proctoring exams. But if you do that, you need key resources. Who are those key resources? Those are teachers, computers or the internet. All of those are key resources to work together. And then, Chiba University has key partners that may work with industry with Sony, Mitsubishi or Microsoft. All of the resources, the activities are at cost. On the right side, you need to maintain revenue. On the left side, you need to maintain cost. If you balance them both, that will be great.

Prof. Patrick Charlton

The key activities section is crucial for any business. It outlines how you'll create the value proposition identified in the center of the canvas. How will you produce your product, like making noodles and broth for a Prof. Castillo's ramen restaurant, or maintaining a beautiful setting for customers? This section connects directly to the cost structure, requiring an operational mindset. It involves project management, budgeting, and other financial aspects. It's important to recognize that different business personalities play a role in these activities. If you excel at marketing but struggle with operations, you might need additional help on the operational side. Experts can assist with project management, cost control, and efficiency. The canvas helps you identify where you need support by outlining your strengths and weaknesses. To build an 80-page business plan, these sections can serve as major titles. The cost structure includes financial statements like income statements, balance sheets, and cash flow reports. It should also cover sales forecasts and budgets. The marketing plan on the right side should outline how you'll attract and retain customers.

The business plan should encompass these key activities, providing a comprehensive overview of how your business operates and maintains its value proposition. This approach helps ensure that all aspects of your business are aligned and functioning effectively.

Prof. Chris Castillo

The next is "Determine regulations before starting new business". As I'm opening up another restaurant, I know that I need to satisfy three regulations. Number one is the building. Make

sure that the ceiling and the walls are all protected. Number two is about fire. If there is a fire in this room, people need to know where the exit sign and the fire extinguisher are. And number three would be the fridge and the freezers whether they keep the food cold enough. I have to satisfy those three regulations to be able to open up the next location. Because I know roughly how much it will cost and the steps that I need to do to be able to satisfy the government regulations to start it up.

With the mechanic business, we need to have an oil separator. When the mechanics are working underneath the car, and the oil spills and falls on to the floor, they need to go into a big hole and it separates the water and the oil. The government of Canada make sure that we have an oil separator, which costs about 15,000. We also have to make sure we have workers' compensation. These are the different regulations for that business I need to know.

Prof. Patrick Charlton

Researching local municipal regulations is crucial when starting a business. It may not be the most glamorous aspect of entrepreneurship, but it helps you avoid legal trouble. Failing to comply with local laws can result in fines or even imprisonment.

Privacy protection is another critical concern. If you mishandle client information, you could face civil lawsuits. It's essential to understand your obligations, both from a regulatory perspective and to avoid legal liabilities. When dealing with client data, ensure it's stored securely to prevent breaches. Agreements with clients should outline your responsibilities and their expectations for confidentiality and security. It's also important to understand a client's internal policies and follow them when interacting with their company.

In terms of the business model canvas, these legal considerations fall under the "key resources" on the left side. This section encompasses not only physical assets but also legal support and knowledge of regulations. Do you have legal counsel to guide you through compliance? Do you understand the laws that apply to your business?

Remember, the left side of the canvas typically involves costs, while the right side focuses on revenue generation. The legal aspects are part of the cost structure, but they play a vital role in protecting your business from risks and ensuring a stable foundation.

Prof. Chris Castillo

If you notice, the last one is "register your business". Many entrepreneurs register the business first and then do the other ones. I always start off with number one. Even before we discuss registering a business, we need to have the fundamental things in place first. Some entrepreneurs told me that they were ready to start a business with business cards. But when I ask where their locations, computers and customers were.? They said not yet and working on that. But the fact is that you need a customer first. Once all preparations are done, we could look at number seven about how we register the business.

When I started my consulting company, I started off as a sole proprietor because the risk was really low. When the risk was low so I was able to start up the company with only a cost of \$60 to register. And we need to know the tax situation. After about two years, it was more beneficial for me to move into corporation because then I was able to get better tax advantages from the government. You need to know the tax structure in your jurisdiction wherever you are operating. I know my tax situation and it was much better for me from a tax perspective, to start up as a sole proprietor.

However, for some jobs, for example, a mechanic working underneath the car. sole proprietor or tax consideration now becomes second. The first thing is liability. And there is more liability with mechanic business. If people get sick or choked by eating some food, the liability is much

bigger. In Japan, there are more LLCs. In Canada, we call it federal provincial corporation. If you do want to operate a corporation or a business that requires funding, you need investors to give you money then the LLC or the corporation is the best way to do it. You need to do two per shares common in Class B. I recommend keeping Class A and giving Class B to investors. That will get you money that you need to be able to get the resources that you need to get going with your business ideas. Therefore, tax consideration and liability are very important. I usually take the bonuses with my mechanic business. That's how I compensate myself. But for the Ramen shop, I always pay myself in dividends. That's how I get paid. In my consultant company, I pay myself a salary. I am able to plan out my taxes based on my current situation which is different from everyone else. You have your own situation. You need those professionals that are in accounting to help you decide which one is best and what's the best strategy for you to be able to register your business to make it legal.

Prof. Patrick Charlton

The key partner section on the left side of the business canvas is an excellent place to list legal resources, incubators, government agencies, or other organizations that can support your business. These partners might provide access to legal experts, tax specialists, or other professionals who can guide you through the setup and ongoing compliance of your business. For example, your school might offer resources for graduates who need help with business setup, or there might be local incubators that offer legal and financial guidance.

Given that laws change over time, staying current with regulations is crucial. This is where a tax professional can be invaluable, especially in helping you manage your consulting business revenue and any other income streams. Your business structure, product, and location all influence your legal and tax obligations.

Key points to consider in the key partner section are liability and taxes. These factors often shape your approach to legal and regulatory compliance. Having reliable partners in these areas can save you from potential legal troubles and ensure you're operating within the law.

Prof. Chris Castillo

In my restaurant, we have about 23 people working. We don't really start to look at who is going to start working for us in terms of characteristic. We look at the people that could provide good result, or have good values, and if they mesh with our values to be able to create a good culture. Then we could try to make it as fair as possible to be able to give people an opportunity to work in my business. I don't want people to feel unfair. That's how we are able to create a good, fair culture in the business and it gives an opportunity to everybody. That's on the employee side.

On the customer side, it's the same thing as well. We sell to anybody that we feel is our primary customer, our secondary customer. And we don't discriminate on that. If some customers do need assistance with accessibility, or they need help with translation or online assistance, we make that available to help them. From whenever we are working with people, we are always looking at it from a perspective of fairness. During the pandemic, we never fired anybody and we were just trying to create value. I'm trying to figure out how I can make it a fair working environment for everybody.

But being an entrepreneur, I would go to sleep at night with thinking what's going to happen tomorrow. Entrepreneurs and business owners do not know what is going to happen. Changes are too fast. It's beautiful to work with people but you have to be a leader. If you have a family, you have to be a leader. If you have a brother or sister, you have to be the leader even though inside you don't feel very confident.

I always walk outside to think. When I was in Chile, I could not think about next week but today. For that, you have to be a leader which is hard. That's what entrepreneurship is about, it's about being a leader.

Prof. Patrick Charlton

When you were speaking, I thought of a culture, developing a culture that's value centered. You determine a kind of a belief system within your organization. You try to live with those values and express them and be consistent with them. You hire based on those values that you determine that you want a place of inclusivity, diversity. You want everybody to feel like they are a part of the business.

I'm very impressed with Professor Castillo's people strategy. When you understand and that's the left side of the BMC, under human, which is that you want to make sure that you are taking into account that you have human beings that are dependent on the business to work. And also, they need to feel good about coming to work. When you dissect that, you have to ask yourself if they are being compensated fairly, or if they are being treated fairly from a business perspective.

When we think about fairness, it's the "Haves" and the "Have-Not's". How do we bridge the gap between people that have wealth or freedom and more opportunity than the ones that don't? That's the way I look at fairness. As leaders in business and education, it becomes more and more important in this world to make sure that we are focusing on not just increasing the gap but trying to decrease that gap as best we can.

Prof. Chris Castillo

Just to add to that, we also have money set aside in the bank. Then some of the employees that would like to set up their own business but maybe they don't have the financial backing to do it, are able to apply for a loan, and we could provide a financial support to help them start up a business. That is creating more of a fair society because some people have a lot of money to open up a business but some people don't. But if they have the passion, and if they are opportunistic and persistent, and they have good values, share our vision, I want to be able to have money to support those people that don't have the money to start up their own business, which breeds a fair society.

Prof. Patrick Charlton

Not every business would create a reserve in their accounting. I know many big organizations will have reserve funds for a rainy day when emergencies happen. It's not often that small businesses have that reserve fund as part of their business. They may use those reserves personally as an owner but they don't put it back into the business. That is really a good practice. It gives again the business the opportunity to compete and be better than their competition from an internal perspective. Hiring and attracting the best talent in the market as well as it should translate well to the customer side too.

Comment and Q&A

Prof. Takayuki Kawase

When this pandemic started, a lot of people said the COVID-19 must change our society irreversibly. That is the point I often said. But that COVID-19 made our society going beyond the point of no return. That means irreversible. For example, they say the society will shrink and downsize. It will be very difficult to start a new business after Corona because our mentality will change completely. But I think our basic philosophy, basic ethos of the modern society that

is the spirit of the entrepreneurship, taking risk and start new business and start new adventure will never perish or change in my opinion. My question is, do people in Canada change their mentality about starting something new? Do they become afraid of starting new business or taking risks more than before pandemic? Probably people became a little bit conservative during pandemic. But I think the basic mentality will never change in the modern society in my opinion. But did the spirit of entrepreneurship in Canada change or not?

Prof. Chris Castillo

I want to just break this down. It's so important. We did a bit of campus observation. We were looking at science in the science department. We talked about the earth and how it's changing everything. And as entrepreneurs, we have to go with it. I teach students that change will happen and take initiative to make the change happen. We need to be proactive to make the change. And after the pandemic, there has been a lot of fear that people will not be buying things. Supply chain and raw materials became more expensive. And then, wages had to go up as well too. So now things are much more expensive from an economic perspective but that's change. Whenever there is a change, you would look at it as a problem or as an opportunity. I told my students that COVID-19 has provided lots of change which could be good. Now what can we do to start up a business and fulfill our dreams to provide a very good product and to be able to provide a very good service. Embracing change I believe is very good. Many people they go to school and work for 40 years in a career then retire. But change is coming. More and more young people are going to start to look at entrepreneurship as a way to bring about change where they could start up a business. people that are willing to embrace changes are going to see opportunities everywhere.

Pandemic also creates opportunities because rent now is cheaper. When we place an advertisement for hiring people, we don't have to pay as much either because there is more people and resources available to do business. The general mentality that I teach is that change is going to happen. But let's be proactive and embrace it and actually initiate some of that change. And whenever there is a COVID or another pandemic that might happen, let's just continue on and move forward. And be bold. Being Bold means you have courage to take on these challenges that might be scary.

Prof. Patrick Charlton

We often tell our students that even if they don't own a business, they can still be entrepreneurs within an organization. Innovating and adapting are essential to advancing in any role. Entrepreneurial skills can be valuable in any setting, especially during challenging times or in complex environments. These skills help you navigate constant change and find new ways to create value, whether you're leading a company or working within a team. Embracing an entrepreneurial mindset is crucial in today's rapidly evolving world.

Prof. Chris Castillo

If you have that P.O.P, then you will move forward and embrace change. Now I'm seeing more entrepreneurship in computer science in Japan. That means that the change is coming. Let's embrace it and let's encourage entrepreneurship. As Professor Charlton said not only in your own business but in your own career in some organization. Can you improve the process in your work environment? Can you introduce a new product or a new service that helps your job become much better? Now you're providing change and becoming very valuable as an employee. Your value proposition now increases. If it increases, then usually your pay will increase.

Ms. Sami Wong

I think all these principles that you have shared especially the seven ones are very important and fundamental. Because I'm actually a co-founder of a research and consulting business and I'm based in Beijing. I work mostly with clients from Asia-Pacific and European clients. One of the hot topics that we have been discussed is about consumer confidence and also the topic about sustainability. I'm just quite curious in Canada, what are these topics about consumer confidence and sustainability that really effects the entrepreneurship that you have noticed the trend and the culture?

Prof. Patrick Charlton

The current economic recession has affected consumer confidence in many countries, leading to a more cautious approach to spending. People are tightening their belts, scrutinizing their purchases, and seeking value for their money. Initially, during the COVID-19 pandemic, many consumers had surplus funds due to reduced travel and work-from-home arrangements. This led to significant savings for some, but as we move into a post-COVID era, with rising prices in groceries and restaurants, especially in Canada, consumer spending patterns have shifted. People are now more selective with their discretionary income, emphasizing quality and service. This trend also affects other areas. As a consumer, I'm more discerning about the quality of products and services I receive for the money I spend. It reflects a broader trend where consumers expect more for their dollar.

The sustainability issue is another significant concern in Canada. While economic priorities are currently at the forefront, sustainability remains a critical topic. Canada, being a large country with a smaller population, tends to be more wasteful per capita than other countries. Although there's progress in reducing emissions and implementing sustainable practices, there's still much work to be done. Efforts toward sustainability include new regulations, sustainable building practices, and environmental waste management. These issues impact consumer behavior and how businesses adapt to meet these changing expectations.

Prof. Chris Castillo

What I'm trying to say is that my economy is 100% in my business. And I try to provide the best value in terms of quality and service and customer experience and treat the employees as number one and be open to that change. If I need to change that product, that service, the delivery, the business model, then I'm able to stay ahead of what everyone else is doing. Because of that I have line ups at the door.

Prof. Patrick Charlton

From an economic or broader market perspective, businesses with a clear and organized value proposition are more likely to thrive in challenging times. The companies that didn't adapt during the post-COVID environment are at a higher risk of closing their doors. This is partly due to a reduction in competition and choice for customers, leading to a more concentrated market.

In Canada, the Canada Emergency Response Benefit (CERB) provided significant financial support during the pandemic, but that money had to be repaid, putting additional pressure on businesses. As a result, businesses that didn't have a reserve fund or a solid value proposition aligned with their customers are more likely to struggle or shut down. Small businesses, in particular, are vulnerable if they didn't prepare for financial uncertainties.

It's essential to consider whether businesses facing hardship might have contributed to their own difficulties. Were they complacent in their operations? Did they fail to adapt to changing

economic circumstances? Agility and flexibility are critical in navigating these challenging times, and those businesses that can quickly adjust are more likely to survive and even thrive. The broader conversation touches on resilience and the ability to pivot. Businesses that succeed during economic downturns often demonstrate a willingness to change and innovate. They are the ones with strong value propositions, clear customer focus, and a commitment to continuous improvement.

Dr. Alfonso Torrero

Mainly I work with NGOs and governmental institutions. I think that the elements in your model can be very useful to these organizations to be more efficient since recognizing the needs of customers. Maintaining quality is another characteristic you spoke about. Have you experienced working with these kinds of organizations using your model or some of its elements? If that's the case, could you speak about a successful case in which NGOs or governmental institutions have incorporated the logics of entrepreneurship to be successful? What should we be aware when we incorporate these entrepreneurial logics in these organizations?

Prof. Patrick Charlton

At our college, we have a section dedicated to sustainability and social initiatives, where we use a Business Model Canvas designed specifically for non-profits. It contains more headings, typically around 15, but the core concept remains the same: every organization, whether for-profit or non-profit, needs to deliver value to its stakeholders. The language may vary to align with the organization's goals, but the basic structure is similar.

Non-profits, like for-profits, require partnerships for collaboration and operational efficiency. The key difference lies in the revenue side, where non-profits may focus more on grants, donations, and other non-revenue-generating sources, whereas for-profits concentrate on profit. However, both types of organizations must be well-structured, efficient, and appealing to their stakeholders. Ultimately, the goal is to create a functional organization that meets its objectives, whether those are profit-driven or centered on social impact.

In summary, the Business Model Canvas is a versatile tool that can be adapted for non-profits and for-profits alike. The structure helps ensure that all essential elements are considered, enabling organizations to fulfill their commitments and operate effectively.

Prof. Chris Castillo

I am the chairperson for a charity in Ottawa called UCI, United Citizens Initiative. It's about helping the society to understand the different religions and positive-ness of all the different religions. On that business model, one of the things that we've been challenged with is government funding for charities has actually decreased. The reason is that most of that funding has now gone to support Ukraine. Now as we look at the Business Model Canvas, we are looking specifically at the revenue streams that we could increase to be able to bring in more revenue into the charity and meet the cost that we have to be able to keep it sustainable.

On that business model that like Professor Charlton is talking about, it all works well to create that efficiency. But lately, we've been specifically focused on the revenue streams and looking at the different ways to create income to be able to provide the support of the cost that we have as a charity because the Canadian government has reduced funding.

Closing remarks**Prof. Jiro Mizushima**

We are quite delighted to have a chance to hear your lectures. It was quite insightful also for scholars. I think that the important point that Professor Castillo said to us that we have to be a dreamer and manager and at the same time a technician. I think that same can be said to become a successful scholar. Because to write a dissertation or variable article, you have to have a vision. You have to manage the documents. And then, we have to construct an article. We have to combine the three elements in one person. That's quite a hard task. Your lectures are quite suggestive also for scholars at the Chiba University and I would like to tell about it to graduate students. You have to combine three elements if you want to be a successful scholar.

Prof. Hikari Ishido

We should remember P.O.P, 7-Eleven, and FAB. That's the main point of today's discussion for realizing your value based and flourishing business in this post-COVID society. Fairness is very important. Human to human, heart component is also very important but it shouldn't be just about heart. Because they were talking that profit making is quite important. Profit is not a dirty word. Money is not a dirty word. Business sustainability is also very important in addition to environmental sustainability in our fair society.