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An elevated proposal

In our digital age, the entrepreneurial pitch is succinct – but the human factor remains essential

What do a trusting relationship and a really great beer have in common? Stability, reliability and consistency – all key elements of both, says entrepreneur Andrew Molson.

He would know. He's a seventh-generation member of the Molson brewing family. A lawyer as well as a partner of RES PUBLICA Consulting Group and who also sits on the board of directors of the Molson Coors Brewing Company, Andrew Molson is a big fan of using emotional intelligence in building business relationships.

"This includes understanding who you are exchanging with, whether they're bankers, customers or your employees. In all your relations with stakeholders, you need a high degree of understanding how they feel, and you must listen carefully to what they have to say," he explains. "Such qualities make you a better leader and entrepreneur. These are very human qualities, and even though we live in an increasingly digital age, I question whether a machine can replace that."

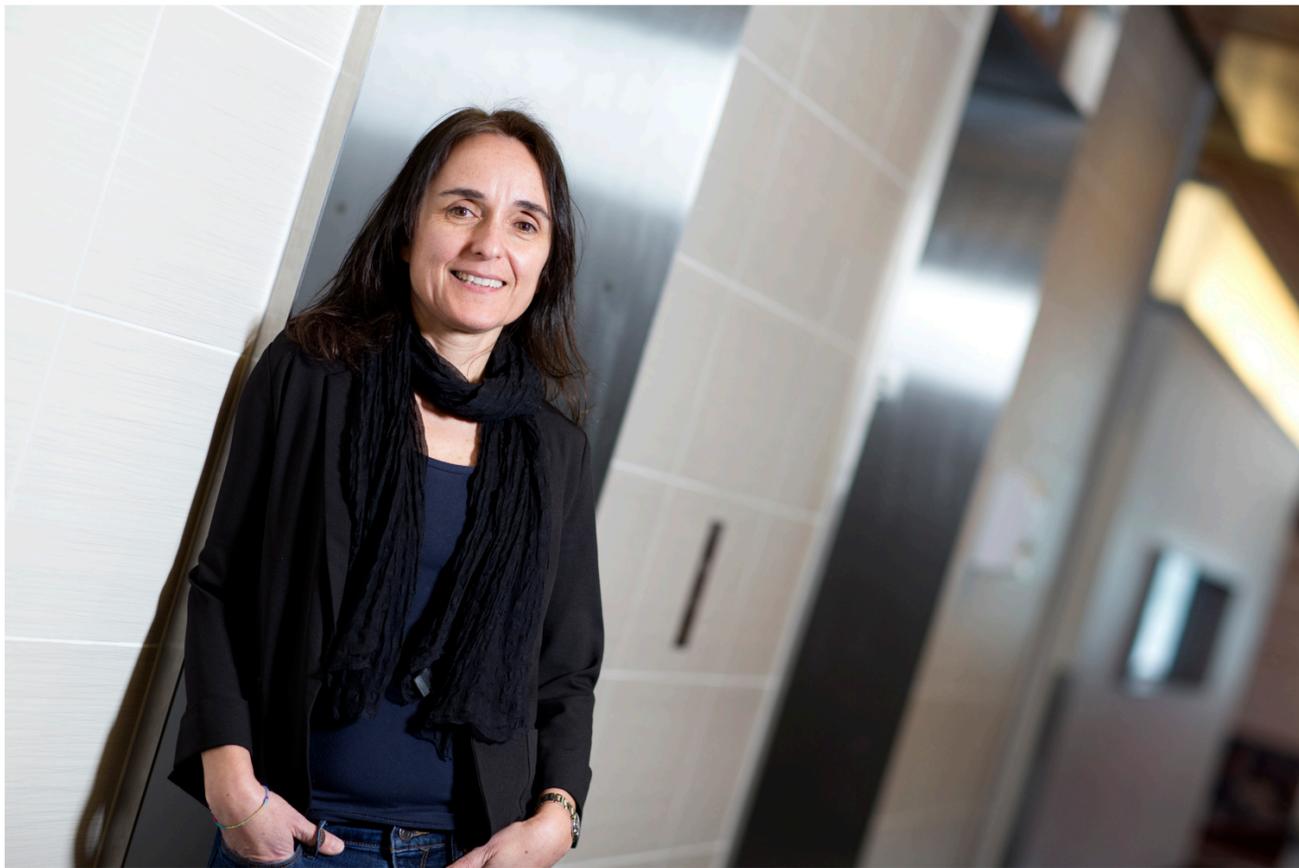
Molson is one of three panelists who will be sharing their views on business and entrepreneurship for Concordia University's Thinking Out Loud series, presented in partnership with The Globe and Mail.

Titled "Business Ownership Now," their public conversation will be held Mar. 1 and will feature Concordia University professor Alexandra Dawson and Ethan Song, co-founder and CEO of clothing retailer Frank + Oak.

Like Molson, Dawson believes that emotional intelligence is crucial in business. The former strategy-consultant-turned-academic incorporates soft skills in the classes she teaches in Montreal at the undergrad and MBA levels at the John Molson School of Business, in Montreal.

"A class I teach on how to finance your venture is all about soft skills – how to sell your idea, how to convince someone else to believe in it, part with their money and help you get to where you want to go," she says.

Dawson gives a crash course in



A high level of emotional intelligence is crucial to moving up in the business world, says Concordia University Professor Alexandra Dawson, who will be participating in a discussion entitled "Business Ownership Now," to be held on March 1. PHOTO CREDIT: CHRISTINNE MUSCHI

some of those soft skills to her undergrad students through an exercise involving a one-minute elevator pitch in front of their peers.

"The best ones start with a story that makes it real and relevant to the listener – not just 'I've come up with an app that does x, y and z,' but actually engages the listener, which is when your eyes light up and you think, 'This is interesting,'" Dawson explains.

Often, her students are surprised when they realize that entrepreneurship can take on many forms. "They

come in and say, 'Why do I have to take this class? I don't want to be an entrepreneur.' But then they realize that whether they want to start their own business, innovate someone else's or join a startup, they will come across entrepreneurs in whatever career they pursue."

Dawson sees tremendous opportunity for graduates looking to take over a family business. "About 70 per cent of businesses in Canada are family-owned. This is interesting, considering the fast-approaching retirement

of baby boomers. Parents usually hope children will take over, which isn't always the case," she notes. "Studies show that only one-third of first-generation family businesses survive to the second generation, while only 12 per cent make it to the third. They need to start forming a succession plan and letting outsiders in."

For the Molsons, part of surviving as a family business since 1786 has been luck, but a larger part has been planning and their ability to branch out into different areas, says Andrew Molson.

"We've entered and exited many other businesses over seven generations but have always stayed in beer. We were a private company selling beer in Quebec until we went public in 1945, venturing into the rest of Canada and making acquisitions. But we've always had a family presence from an ownership perspective."

"Being able to maintain a founder's mentality as you grow is all about hiring the right CEO. You can be a very large company, but there are many instances where that entrepreneurial fervour can continue to exist, be supported and celebrated."

For Song, who started Frank + Oak as an on-line personal shopping service in 2010 and evolved it into an international stand-alone clothing retailer, success lies in increasingly blurred geographic boundaries.

The vertically integrated retailer (design, sourcing, manufacturing and distribution are all done in-house) offers a suite of services that range from personal styling over the Internet – you fill out a brief questionnaire and receive a package of clothes sent to your door, paying only for what you keep – to guaranteed two-hour delivery of a new shirt or pants, should you get a sriracha stain on your clothing before an important meeting.

"In the past, we had this idea that first we had to win Canadian markets, then the U.S., then go global. I don't think that's the best strategy. Strength comes from embracing where you come from and what makes you special, and then embracing a global approach," says Song.

"I often get asked, 'What can we do better from a Canadian perspective?' At the end of the day, it boils down to being more ambitious – not about politics or economics. No matter what your resources may be, we all succeed and fail many times. But we also have a strong ability to affect the world we live in."

"One of my favourite quotes is 'We overestimate what we can do in a day but underestimate what we can do in a lifetime.' I think that's very true."

JUST TALKING

Getting down to business

A meeting of the minds between Concordia University's Professor Alexandra Dawson, beer mogul Andrew Molson and clothier Ethan Song

Q What does it mean to be an entrepreneur in this day and age?

Alexandra Dawson: It's a lot easier to be an entrepreneur now because you can just develop an app, and if you have some IT skills, you can start a business with your friends. You don't need a lot of money and you don't necessarily have to open a shop or manufacture something. In a way, it's more accessible, but because the barriers to entry are lower, more people can do it. There are more opportunities, but at the same time new businesses usually fail.

Andrew Molson: A lot of the challenges we face in today's world are no different than the challenges the founder of Molson faced in 1786 starting the beer business at 22 years of age. There was a market to develop and a new frontier. Today every day is a new frontier if you look at it from the perspective of digital communication and technology and all the changes that are happening.

Ethan Song: As a direct consumer business, we see mobile technology playing a much larger role, moving more products and services to the Internet than ever before. Having these products and services available 24/7 means the world we live and do business in is largely digital. Yet, people still crave authenticity, close

human touch and the experiential factor. How to effectively combine those two worlds is an important consideration for entrepreneurs.

Q What do you think of business magnates like Donald Trump and Kevin O'Leary getting into politics? What threats or opportunities do you see for Canada from the current political landscape?

Dawson: Can you run a country like you run a business? I grew up in Italy and we had [Silvio] Berlusconi for many years; he was a businessman, too. Some skills are transferable and others are not. You cannot forget those big business interests, which, in the end, you always end up favouring. I can see the appeal of politics for a big decision-maker and a doer, but running a country is more than running a business empire, especially a country like the U.S.

One opportunity for Canada is a lot of students from outside North America might start considering Canadian universities. I think a diverse student body is great because it brings a variety of perspectives to campus, which will enrich the experience in and out of the classroom.

About 96 per cent of businesses in Canada are small- to medium-sized. If exports are affected, it will be more relevant for medium and large businesses. Currently 70 per cent of Canadian exports go to the U.S. If this doesn't continue, it might open up new countries and opportunities for internationalization. That would

really fit with the global mindset of our students.

Molson: In some situations, Trump's policies could be quite detrimental, while in others his policies could be great opportunities for companies willing to take advantage. Seems like a mixed bag; right now, it's hard to tell. To be a benevolent dictator is entirely possible in the business world, but the word "benevolent" is extremely important.

Song: I think this idea of more closed-off markets is due to people feeling threatened by globalization. But the concept of no frontiers or borders is an unstoppable trend.

The current political landscape is raising questions for many people on where they feel their place is in the world. Our customer base is within the ages of 20 to 35. They're part of the millennial generation, one that is more global in spirit and in values and doesn't feel threatened by political changes.

Q What advice do you have for business owners trying to get things off the ground?

Dawson: I always tell young entrepreneurs to do their research. Universities always have a lot of information. Concordia spends millions of dollars every year on databases and market research. We have an incubator here called District 3 that helps students get ideas off the ground and pairs them with a mentor. We also

have a business-plan competition called \$EED for students to pitch their ideas.

For the general public, we have a small-business consulting bureau offered by our MBA students for a nominal fee to anyone who needs help with their business or marketing plan.

Molson: I tell young entrepreneurs to not forget the importance of an education. I haven't met a business owner who hasn't regretted not going to school. Everything they learned while struggling with certain aspects of their businesses wouldn't have been as much of a struggle.

Another tip is to keep your mind open to see what's going on outside of the world you operate in. Business owners are often in their own little world. Make sure you understand the environment your clients operate in, too.

Song: Don't focus just on business opportunities, as those will come and go. Focus on doing something you enjoy. I studied engineering; I didn't come from the apparel side. What attracted me to this world was the ability to shape consumer preferences.

I look up to the Steve Jobs [innovators] of the world and get inspired by the people who define our generation. But for a mentor, find someone real, closer to you in their age and track record, and within close geographic proximity.

Alexandra Dawson is an associate professor at the John Molson School of Business at Concordia University and a researcher of entrepreneurial and family businesses.

Andrew Molson is a lawyer, partner and chairman of RES PUBLICA Consulting Group and a seventh-generation member of the Molson brewing family.

Ethan Song is the CEO and co-founder of Canadian fashion and lifestyle brand Frank + Oak.

THINKING OUT LOUD

Thinking Out Loud features live events and podcasts, sharing big ideas with the public. Join us for a live event in Montreal (on Mar. 1, with Alexandra Dawson, Ethan Song and Andrew Molson) or listen to clips from past events. Find out more at concordia.ca/tol.

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