



# STORIES OF IMMIGRATED CHINESE ENTREPRENEURS IN CANADA



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DU CANADA

Frank Lin & Stacy Screenprint  
Leon Lu & Freshoto

Guo Shu & Yanjing Beer  
Jack He & Cictan-Biotech



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# INTRODUCTION

*by Iris Jin*

**IMMIGRANTS HAVE MADE** great contributions to Canada's economic development in its history of 150 years. As a recent APF Canada research series pointed out, the Canadian government has called for an increase in annual immigration to ensure Canada's future economic growth in the face of an aging population and economic growth stagnation.

Over the past 15 years, China has been the No. 1 source of Asia Pacific immigrants to Canada, numbering half a million in total. With different backgrounds and expertise, and having experienced different career paths in China, many of them have chosen to start new businesses in Canada. It is never an easy task in a different culture and business environment, yet they have tried hard to adapt to and integrate with their local communities, and to contribute to Canadian employment and the Canadian economy.

Chinese entrepreneurs in Canada are also great assets because they understand the business systems, values, and market demands of both countries. As two-way trade and investment between Canada and China

continues to grow, Chinese entrepreneurs in Canada could play a bigger role in fostering bilateral business ties and development.

Around the world, Chinese communities are celebrating the Spring Festival – the lunar new year – when families gather together and look to the future. In honour of the season, the Asia Pacific Foundation of Canada is publishing this series of stories of four entrepreneurial Chinese immigrants in Canada. In these stories, Frank, Guo, Jack, and Leon share with us their tales of business development in Canada, and their thoughts around moving towards their goals in a new country. Like many immigrant entrepreneurs, they have gone through ups and down, trying to settle down and continue to prosper. With hard work and perseverance, they have progressed well.

We hope these stories will provide a new perspective on Chinese immigrants in Canada, and help Canadians better understand their Chinese neighbours, who are working together to make Canada a better place for everyone.

## STORIES OF IMMIGRATED CHINESE ENTREPRENEURS IN CANADA:

### FRANK LIN & STACY SCREENPRINT

*by Linda Qian*

LIKE MANY BEFORE HIM, Frank Lin relied on his entrepreneurial spirit, ambitions, and tenacity to forge a new and comfortable life for himself and his family in Canada. However, what sets him apart from other new Chinese immigrants is the fact that he has chosen to take the path less travelled – or, more apt, settle in a British Columbian city less known to the Chinese community: Kelowna.

Unlike the Metro Vancouver area, where almost 30 percent of its total population of 2.5 million is of Chinese heritage, less than one percent of Metro Kelowna's 200,000 inhabitants identify as ethnic Chinese. As a

newcomer relatively unfamiliar with Canadian culture, values, and, to an extent, even the English language, uprooting his entire life to Kelowna – where his difference as an ethnic minority is more visibly pronounced – was not an easy task for Frank. But at the same time, it was also his need and desire to overcome those same cultural differences and language barriers that has given more meaning and value to the reality of settling into a new Canadian life. Above all, it has been this ongoing learning experience that has allowed the Lins to carve out a space for themselves in the Kelowna community. This is the story of Frank Lin, a newly immigrated Chinese entrepreneur to Canada.

“

*The way I see it, immigrants generally have three options when they arrive in Canada: study, settle down, and work. When I first came to this country two years ago, it was clear to me that if I wanted to settle down, I would have to work. Simply finding a job, however, was not the difficult part. The challenge that confronted me was finding something that truly made that initial decision to make the big move to Canada worthwhile for myself and for my family.”*

## STARTING OFF

With various barriers to entry in an already crowded Canadian job market, it is not uncommon for new Chinese immigrants to find themselves working in Chinese restaurants and grocery stores. While one can certainly derive a lot of valuable experience and skills working in these labour-intensive jobs, as far as Frank was concerned, this was not a sustainable path for him – especially not at a stage in his life where providing long-term stability for his family was and remains a priority. In his own words, his Canadian journey started at an “awkward age.” That is, as a devoted husband and young father who left behind a career in China, he simply had too much experience, too many ambitions, and, indeed, the burden of too many responsibilities – a stint at a grocery store simply would not cut it.

More importantly, Frank, an entrepreneur at heart, did not make such a drastic move across the Pacific simply to settle for a low-income job. “If this was the case,” he says, “I would seriously have to reconsider my initial motives for coming here in the first place, and I would even question my personal worth and value if this is where I ended up.” Therefore, in an effort to avoid this pitfall, Frank did his homework prior to coming to Canada. He studied up on his potential barriers to entry in the Canadian job market, identified how he could leverage his existing skills and knowledge to give him a comparative advantage in a new business environment, and explored how he could add value to the still unfamiliar society that awaited him. Less than a year after moving to Kelowna, Frank is now the owner of a local sign and graphics company, Stacy Screenprint Ltd.



FIGURE 1. Exterior of Stacy Screenprint's Kelowna plant.

## WHEN FRANK MET STACY

Although Frank may be new to the neighbourhood, Stacy, on the other hand, has been a household name for 36 years. Established in 1980, Stacy Screenprint has been supplying the local community with everything from retail signs to business cards, window lettering, and car decals. According to Frank, Stacy's previous owner treated the company like his own child. He had looked after the business since he was yet successful business since he was 26 years old, and there was undoubtedly a lot of emotional investment – not to mention capital and time – that was put into running the business by the previous owner, now 62. Suffice it to say, choosing his partner and eventual successor in taking over the company after his retirement was not a decision that Stacy's previous owner took lightly. Having had a career in a similar industry in China, it was Frank's knowledge and expertise that caught the previous owner's attention, but it was his work ethic, tenacity, and willingness to learn that earned him the owner's trust.



FIGURE 2. Frank Lin and his team.

After purchasing Stacy Screenprint, Frank needed to devise a plan to take the business to the next level. This was no easy feat for Stacy, an old company fairly set in its ways, and Frank, a newcomer to the game. Furthermore, with the purchase of the company, Frank also became the new boss to Stacy's loyal staff and team members – the longest having worked with the company for 23 years, and the newest for six. Attached to the deal was also the inheritance of a corporate reputation in the community that far preceded the entirety of Frank's Canadian experience to date. It was therefore also on Frank's shoulders to invigorate the business while ensuring that the integrity of Stacy Screenprint's long-standing corporate culture and values stayed intact.

Thus far, Frank has successfully guided Stacy Screenprint onto a path of stable growth. Importing his experiences from his previous career and completed projects in China, he injected new technologies and skills into the company's portfolio and toolkit. Equally as important, however, was his ability to build and foster friendly and professional relations with his new staff and team members. Frank was able to build trust and break through initial cultural and language barriers with his new team.

"At the end of the day," he explains, "I believe that building and fostering trust in a new community is critical to any endeavour." And it is this trust building that was and continues to be the key to Frank's success, in both his professional career and personal life in Canada.

## MAKING AN IMPRESSION

Of course, trust does not come easily. It takes time, patience, and an open and accepting attitude toward difference to build that foundation and relationship. Given this, perhaps the greatest challenge for Frank has been adjusting to a whole new set of societal values and norms. "When we uproot our lives and move to a brand-new country, we turn a page, leaving behind all that we were once familiar and comfortable with." Especially in a less densely populated city like Kelowna, where familiar conveniences, amenities, and social facilities may not be as easily accessible to a new Chinese immigrant, settling down and settling in means stepping beyond comfort zones and hurling oneself into new situations. What has helped Frank and his family adjust to their new lives has been their participation in different social groups, especially join-

ing their local church. The church and its community are now indispensable parts of their lives, and through different community events the Lins have felt much more welcome and engaged.

In fact, Frank and his family make the effort to involve themselves in local charitable events and activities, and have become active contributors to the betterment of the local community. Given the nature of his work, Frank has been able to contribute his logo and signage services to help out with different local events and initiatives. “I think all new immigrants should be more actively engaged in social events,” he opines. At least in his case, being an engaged community member has allowed him to realize his personal worth, simultaneously earning him the gratitude of his community as a new and welcome addition to Kelowna.

### HEARING IT DIRECTLY FROM THE SOURCE

Although community groups have been an invaluable resource for Frank and his family, Frank hopes to see more government-provided information made accessible in the future to help newcomers with their transition to Canadian life. At present, the Canadian government has already made major laws and regulations available online in multiple languages. “We can already learn a lot from these online resources,” Frank says.



FIGURE 3. Product examples from Stacy Screenprint.

“However, in the future, I hope to see the provision of more public services made accessible in Chinese as well.”

For information such as how to file one’s taxes, transfer international driver’s licences, and even increase one’s cultural competency, new immigrants tend to rely predominantly on information in Chinese disseminated by third parties. “When we get our information from a third party, be it a consulting firm or other business,” Frank explains, “the original government document in French or English has already been interpreted and filtered by a source that is inevitably biased and interest-driven.” Because of this, it is not uncommon for different sources to provide overlapping or even conflicting information, often leading to confusion and misunderstandings on the part of the new immigrant.

For Frank and many others in a similar situation, it is preferable to read and learn about national and local laws, policies, regulations, and services directly from the original government or administrative source. This gives immigrants more agency in interpreting how Canada and local communities function, and a better understanding of how they can best fit themselves into the landscape. According to Frank, more government resources made available in Chinese and other languages would better reflect and accommodate Canada’s increasingly multicultural demographic.





FIGURE 4. Product example from Stacy Screenprint.

#### FRANK'S "TWO-STEP GUIDE" TO SUCCESS

When asked about his success as an entrepreneur, Frank says, "I cannot say that I'm a 'big success' of any sort. Where I have succeeded, however, is in my gradual efforts to immerse myself into this new community." To Frank, the wealth he has amassed in Canada cannot be represented by a numerical figure. Instead, it is the degree to which he has felt increasingly welcome and accepted into his new home that has fuelled his sense of achievement.

Now well into his third year as an adopted Canadian, Frank's "two-step guide to success" for future immigrants and entrepreneurs is as follows:

1. Do your homework before coming to Canada – that is, do the necessary preparation work to familiarize yourself with the market, the economy, and the society you will soon call home.
2. Throw yourself into the deep end – in other words, do not spend all of your time wading in the familiar waters of Chinese social circles and communities; swim out as much as possible until you are fully immersed in the dynamism of Canadian culture.

Comparing Kelowna to the city of Richmond - a British Columbian city where 49 per cent of its population is ethnic Chinese - Frank referred to his personal experience and weighed in on the benefits of starting off in a city less saturated with immigrants. "If anything, it strips you away from the crutch of familiar faces, languages, norms, and cultural amenities that can be readily found in Richmond." As he has experienced, this is by no means an easy adjustment to make. However, it was this deliberate decision to distance himself and his family from the convenience of familiarity that has been crucial to their success in Canada so far – not only in terms of achieving early entrepreneurial success with Stacy Screenprint, but also in terms of being a respected boss, and a valued citizen in Kelowna.

STORIES OF IMMIGRATED  
CHINESE ENTREPRENEURS  
IN CANADA:

**GUO SHU  
& YANJING BEER**

*by Yingqiu Kuang*

AFTER IMMIGRATING TO VANCOUVER in 2000, Guo spent nearly 10 years working to become a successful Chinese entrepreneur – a specialist in the Canadian alcoholic drinks industry. Her company, Hi-Bridge Consulting Corporation, has exclusive rights to sell Yanjing beer across Canada, and she is also distributing over 20 kinds of Chinese spirits. In 2009, Guo was recognized as an “outstanding Chinese entrepreneur in Canada” by the Ontario provincial government.

“

*I still remember, when I first invited people to taste my Yanjing beer in the early 2000s, most Canadians declined. They were concerned with the quality and teased that it might be poisonous,” Guo Shu says, laughing. “But now, they are very thankful that I’ve brought this country new spirituous delight.”*

#### AN ACCIDENTAL ENTREPRENEUR

It was by accident that Guo entered the alcohol business. With many years of teaching experience in Chinese universities, Guo was planning to continue her career in academia until some friends asked her if she could import and sell some Chinese liquors in Canada. “They were missing the taste from their own homeland,” says Guo. She quickly found out that there was a potential market in Canada that awaited Chinese alcoholic beverages: with strong immigrant communities, Canada has demands for various liquors from the world. When Guo was starting off, the competition was minimal, as only a few Chinese brands were available in Canadian liquor stores. Guo further concluded that beer might be an even better asset than other Chinese spirits, due to its cheap price and popularity across the country. Also, as a fast-moving consumer good, it could easily fill up a shipping container and did not need extra resources spent on after-sale services.

Her market testing quickly turned out to be a success. In early 2004, Guo chose to take a risk by importing a full container of non-alcoholic beer from Beijing Yanjing Brewery, and started selling it in some local

Chinese supermarkets in British Columbia. Luckily, at T&T Supermarket – the largest Chinese supermarket chain in Canada – her products flew off the shelves. After that, she began to expand her business beyond British Columbia into other provinces. Her initial marketing strategy included participating in events in Chinese communities, giving interviews with local Chinese media, and constructing her own website. 2008 was the turning point in Guo’s career. When Yanjing beer was named the official beer of the 2008 Beijing Summer Olympics, Guo immediately hired the largest public relations company in British Columbia and launched a countrywide campaign in Canadian mainstream media. Since then, Yanjing beer has experienced tremendous success in Alberta, Saskatchewan, Manitoba, Ontario, and Yukon.

#### SELLING CHINESE LIQUOR IN CANADA: OBEY BUSINESS REGULATIONS

With the success of non-alcoholic beer, Guo expanded into new markets including alcoholic beer and other Chinese liquors. In Canada, the alcohol industry is under strict government regulation. Liquors can

only be purchased from government-licensed liquor stores; manufacturers and importers have to sell their products to those liquor stores. As Guo explains, “I can’t open my warehouse to the public. I am not allowed to do business directly with consumers. The only thing I can do is to increase people’s awareness of my products. Only consumer demand can drive up government procurement, so I spend most of my resources on branding and marketing.”

Abiding by national and local laws and regulations was another important factor contributing to Guo’s success in Canada. This was a lesson she learned the hard way when her company was fined \$7,500 in 2005. At that time, one of her competitors reported to the government that Guo was planning to give out free beer on a website. “Though we had, in fact, no intention of doing that, the government insisted that we had violated the alcohol regulation in Canada. The fine was far more than the profit we could ever make. It made me understand that following the rule of law is the most important principle, anytime, anywhere,” says Guo. She has since established and maintained a good relationship with the provincial liquor distribution branches, which are specialized government agencies for the alcohol industry. Her company will report to the government every time there is a change in price, product, marketing strategy, and business operation. In addition, upon government request, she has also purchased \$5 million of liquor liability insurance for her company.

#### BUILD CREDIBILITY AND REPUTATION THROUGH COMMUNICATION

Gaining popularity is never easy. In the first three years, from 2004 to 2007, Guo had to personally visit local restaurants and private liquor stores to advertise her products. She also needed to find and build connections with government-approved liquor stores after accumulating a steady customer demand. “I was always on the road, alone, with a box of Yanjing beer and nothing else,” Guo recalls. “I travelled to almost all major Canadian cities and had hundreds of thousands of conversations with restaurant owners and liquor store representatives.” That period was the hardest in Guo’s career.

For Guo, the key to her success was to establish credibility and build a positive reputation through constant communication with the broader public. She further explains that, after establishing positive and frequent

contact with Canadians, they become very kind and willing to help. “Many staff working at liquor stores tell me in private which restaurants in town have special preferences for Chinese beers. Also, they are very happy introducing my Yanjing beer to their customers, recommending that it is the best beer from China,” Guo says. Constant communication also helped to reassure Canadians about their concerns over Chinese food safety; gradually, they became much more receptive to the foreign beer.

Guo’s business model finally paid off. With her efforts and hard work, the sales of Yanjing non-alcoholic beer in Canada even exceeded the total amount sold in mainland China. Since 2008, Beijing Yanjing Brewery agreed to offer Guo the exclusive right to sell Yanjing beer products in Canada, and also began to offer financial support for her branding and advertising.



FIGURE 1. 2010 Beer Festival in Calgary.

## CULTURAL DIFFERENCE IS A BIG CHALLENGE

Guo notes that due to different business cultures, building connections with local communities is extremely useful when attempting to start a business. She points out that many Chinese entrepreneurs who were very successful at home found it difficult to explore new opportunities here, mainly because they only communicate within their own social circles. Therefore, for newly immigrated Chinese entrepreneurs in Canada, attending events and participating in charity work held by local communities and businesses is both important and necessary. Guo claims, "They must speak out and brand themselves. Chinese entrepreneurs should actively participate in local politics – attend their party events, converse with politicians, and make friends with them. We need to brand ourselves before selling our products."

Drinking alcohol is deeply rooted in culture. Guo thinks that overcoming the cultural difference is the most difficult challenge of selling Chinese liquors in Canada. "After all, I can't rebuild their stomachs and change their tastes." After 10 years of experimentation and success in the Canadian alcohol business, Guo

admits that most of her customers are still Chinese immigrants and that her products are far from being dominant in the Canadian market. While most Canadians are open to tasting Chinese flavours, they only choose to purchase them under rare circumstances. Guo loves to compare Chinese spirits with Japanese sake, and says, "I have been thinking why Japanese sake is so popular among Canadians. Why can they open their factories in North America? And why can't Chinese spirits companies do the same? My answer is that we need more time and a more refined strategy to localize Chinese spirits and alcohol into mainstream Canadian culture."

## GOVERNMENT CAN BE HELPFUL

In addition, Guo believes that the Canadian government should put more effort into providing newly immigrated entrepreneurs with systematic and timely support. While there are many non-profit organizations and industrial associations, many new immigrants don't know where to find information and whom they should speak with. In addition, the availability of resources in Chinese is also highly limited.



FIGURE 2. 2013 Yanjing alcohol free beer sponsorship at White Rock community event.



FIGURE 3. Yanjing beer car dress.

Moreover, Guo suggests the Canadian government should offer appropriate education and media programs to improve Canadians' negative perceptions of Chinese entrepreneurs and their businesses.

Guo expects more support from the Chinese government as well. For example, China's consulate in Vancouver has been very supportive of Guo and her company. The consulate always invites her to its functions and buys her products for events. However, compared to other liquor-exporting countries such as Australia and New Zealand, whose government agencies will publicly advertise their products at foreign trade events and exhibitions, support from the Chinese government is very limited.

### FUTURE PROSPECTS

Recent years have witnessed a steady demand for Guo's products in Canada. Despite the increasing competition in beer sales, annual revenues of her company in the past two years have exceeded \$2 million and the

profit has been increasing. Guo takes satisfaction in selling her products in the Canadian market. She has also been very successful in building a great reputation: more consumers are getting to know Yanjing beer through her website, and many business people are asking for her to recommend them to Beijing Yanjing Brewery in attempts to obtain selling rights.

As for the future, Guo would like to dedicate more resources to establishing the cultural identity of Chinese liquors in Canada. She says, "I've been in this country for over 15 years. I have a sentimental attachment to Canada. I hope to see that more and more Canadians will purchase Chinese liquors and enjoy the underlying Chinese culture." At the same time, Guo is also exploring other business ideas and opportunities, such as providing educational programs and activities for the elderly.

## STORIES OF IMMIGRATED CHINESE ENTREPRENEURS IN CANADA:

### JACK HE & CICTAN-BIOTECH

*by Yingqiu Kuang*

IN A TWO-STORY OFFICE building in Burnaby, British Columbia, Jack and his team are hard at work. They are busy finalizing the marketing strategy of their newly finished skincare product line, organizing healthy meal events, and preparing to initiate a new round of capital raising. As a young firm established in 2010, Jack's company, CICTAN-BIOTECH Corporation, aims high in the Canadian health-care industry: it has developed a variety of products, ranging from functional food to natural health supplements to skincare products. It supplies the local market, sells across Canada, and aims to tap into a new market in Asia.

## FROM CANCER SPECIALIST TO ENTREPRENEUR

Jack did not begin his own business at an early age. Instead, he was trained as a cancer specialist in China, and, after immigrating to Vancouver in 1998, he chose to work for a local pharmaceutical company for another eight years. "That is a valuable working experience," he says. "It has not only taught me the professional managerial skills in the Canadian health-care industry, but also opened my eyes and shaped my future by helping me find where my true passion lies."

While working at the local firm, Jack also applied his expertise in public service. Notably, in 2006, he created a non-governmental organization – an interactive platform to connect doctors and patients. At the same time, he also edited an international journal for cancer research, in which he summarized and shared with readers his own experience in treating cancer. Jack considers these experiences as the foundation laid for his own business. On the one hand, it connected him with many other medical and pharmaceutical professionals, some of whom later became his business partners; on the other hand, it made him realize that the values of his own company should be rooted in helping patients and serving customers. "Business is created to help others. Because of that, I was motivated to explore a new and better health-care business," Jack says.

## A NEW HEALTH-CARE BUSINESS

An outstanding feature of his business model is to incorporate traditional Chinese medical concepts into the modern western health-care industry. After many years of clinical exploration into treatments for cancer and other chronic diseases, Jack redirected his focus

to people's wellness, hoping to find a way to help treat preventable diseases. Familiar with the teachings and doctrines imparted by the Huangdi Neijing – the fundamental doctrinal source for Chinese medicine for over two millennia – he has turned his attention to sourcing healthy food with medicinal qualities. "I believe that this is the strength of our own culture. Traditional Chinese medicine deserves more attention and internationalization. It will offer more options for the modern health-care industry," he says. Therefore, his research team has brought plenty of Chinese medicinal herbs to Canada. They have been found to contain high nutritional and medicinal value, and, Jack believes, to be more natural, safer, and more effective than western medicine.

In addition, Jack has also expanded his business beyond healthy, functional food into skincare and health-care services. He summarizes by saying, "Our biggest achievement over the past six years is a full industry chain connecting research and development with product manufacturing, branding, sales, and customer services." Through this channel, Jack expects to deliver specialized products and services to his customers; he is also hoping to develop products that meet future health needs.

## PRODUCT DIFFERENTIATION: BRANDING IS THE KEY

Despite his creative ideas in the evolving health-care industry, Jack admits that sales volume still lags behind his expectation. "I don't think people have caught on to my company and the products we offer. Moreover, there might also be concerns over the functions and credibility of traditional Chinese medicine.



FIGURE 1. Exterior of CICTAN-BIOTECH's Burnaby office.

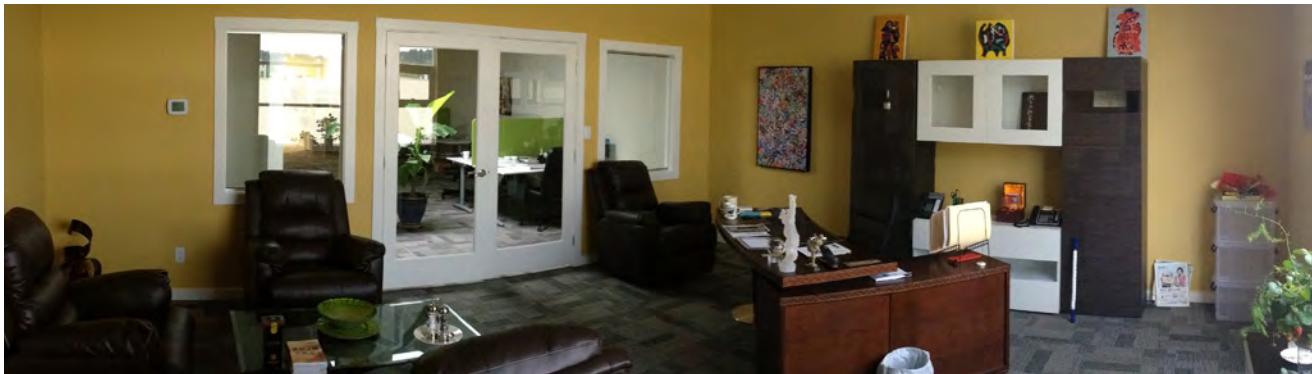


FIGURE 2. Interior of CICTAN-BIOTECH's Burnaby office.

I think we need to expend more of our time and energy towards raising people's awareness about the benefits of Chinese medicine, and by extension of that, of my company and products as well."

Jack and his team recently completed the design of their skincare products. In the near future, they will consider further expansion in retail business to offer prospective customers a valuable personal experience of CICTAN-BIOTECH's products and services.

#### BUSINESS CULTURE: RESPECT & COMMUNICATION

In terms of corporate administration, Jack feels very comfortable working with his Canadian business partners and employees. As he explains, "We have kept frequent, pleasant, and efficient communications. We are not only seeking consensus on business plans. Rather, we expect to solve conflicts through conversations." More importantly, Jack contends that mutual respect has enabled his employees to work with passion and remain committed to their daily work.



FIGURE 3. CICTAN-BIOTECH's skincare products.

#### CALL FOR TAILORED GOVERNMENT POLICIES

Over the past six years, Jack recalls, he never seized the opportunity to take full advantage of government resources. The underlying reason, as he explains, is that a lot of newly immigrated Chinese entrepreneurs, like himself, are not familiar with government support and services, such as bank loans and taxation. Because of that, they don't know how and where to seek government support. After many years of exploration in the Canadian market, Jack now knows that young biotech firms like his own business are in fact eligible for preferential taxation from the British Columbia government and other resources that would have been helpful in the first several years of operation. Jack appeals for government policies tailored to startup companies, and hopes to see a more effective communication channel through which the Canadian government will have a clear understanding of startups' difficulties, and offer appropriate and effective support. At the same time, he also expects the government to promote greater communication between Chinese firms, government agencies, and local firms.

#### FUTURE PROSPECTS

Jack spent nearly 15 years transforming himself from a cancer specialist to a businessman and entrepreneur who owns a company in the growing health-care industry. He is confident that he will be able to resolve any challenges his business may face in the future and remains optimistic about his own career. In the coming decade, in addition to establishing the reputation of his company and products, Jack aims to further expand his business through mergers and acquisitions and by going public in the stock market.

## STORIES OF IMMIGRATED CHINESE ENTREPRENEURS IN CANADA:

### LEON LU & FRESHOTO

*by Linda Qian*

IN 2013, LEON LU FOUNDED his seafood company, SeaAlliance, with its flagship “O2O” – online-to-offline – delivery service and FreshOTO online community. Although established in Vancouver, SeaAlliance and FreshOTO were inspired by two Chinese phenomena: the implementation of the “Internet Plus” action plan by China’s central government to promote innovation and galvanize the economy, and the increasing awareness and concern regarding food safety among Chinese consumers. It was in the convergence of these two seemingly unrelated and contextually specific Chinese realities that Leon saw the potential for a new trans-national business venture. More importantly, looking at Canada’s exceptional food safety standards, the country’s young but growing high-tech scene, and Vancouver’s strategic positioning as both a gateway to the

Asia Pacific and a link to North America, it was here that Leon cast his line to turn this business potential into reality.

Bringing with him from China his years of experience and entrepreneurial ingenuity, Leon hopes that his company and innovative business platform will make a splash in the Canadian market. However, when thrown into an unfamiliar business environment, even the most experienced and seasoned business veteran can feel like a fish out of water. Despite facing cultural unfamiliarity and administrative differences, Leon is determined to make British Columbia the cornerstone of what he envisions will be his transnational seafood empire. This is the story of Leon Lu, a newly immigrated Chinese entrepreneur in Canada.

## RIDING THE WAVE OF CHINA'S DIGITAL REVOLUTION

From the late 1990s to early 2000s, Leon was at the forefront of China's first generation of Internet-focused companies. After the initial e-wave subsided, he made a successful career for himself working for the government. A few years later, he jumped into China's housing market, where he made profits in major Chinese cities and provinces like Xiamen, Beijing, and Jiangxi. Coming full circle, he has now redirected his focus onto China's booming Internet sector.

Over the years, China's business environment and consumer culture have transformed and diversified tremendously. Now, with backing from the highest echelons of state power, including President Xi Jinping and Premier Li Keqiang, China's "Internet Plus" action plan continues to bring major consumer trends and even daily lifestyle habits online and onto the screens of nearly 620 million smartphone users. Indeed, many facets of contemporary China's economy, marketplace, consumer culture, and society are caught in a high-tech undertow, and "in this new Internet- and mobile-driven business environment," says Leon, "industries are now being dealt a completely new hand of cards." Forward-looking and having a sharp entrepreneurial instinct, Leon knew immediately that in order for any of his business ventures to rise to the top and stay afloat, he would need to diversify his business portfolio and ride this digital wave.



FIGURE 1. Leon with Claire Zhu, Agricultural Attaché at the Canadian Consulate in Shanghai.

"For the average Chinese consumer," Leon says, "two sectors take the lion's share of household spending: the housing market and food." With a now-overcrowded real estate market, Leon looked to the food industry to further his entrepreneurial success online. In fact, following recent outcries like the 2008 milk scandal, consumers in China are now more concerned than ever about the quality of the food found in regular supermarkets and grocery stores. Many – especially among China's growing urban middle class – are seeking alternative food sources and services, even if it means shelling out a few more yuan. As for Leon, he saw this as an opportunity to infuse his technological experience with the demand for quality foodstuffs by consumers. Although his business inspiration came from China's Internet revolution and food safety scares, it was in Canada that Leon saw the space to build and grow SeaAlliance – his vision for an alternative service to bring high-quality and fresh food to consumers.

## FRESHNESS AT THE DOORSTEP

Leon's long-term business strategy for SeaAlliance is multifaceted. For one, he has begun to ship Canada's enviable seafood products internationally, with a focus on reaching the discerning consumer in China. However, during this still-early phase of operation, Leon has devoted most of his time and resources to building the technological infrastructure of his business. In Canada, one of his competitive advantages so far has been his



FIGURE 2. Leon delivers to his customers.

ability to import the online-to-offline, or “O2O,” business model to Vancouver’s food industry through his seafood delivery and outreach platform, FreshOTO.

In essence, the O2O business model is a direct business-to-consumer, or “B2C,” service that connects the buyer directly with the product, and FreshOTO achieves this through an easy-to-navigate mobile platform that Leon’s Vancouver team spent the first year of operation building. Through FreshOTO, consumers need only to browse the company website and place an order remotely, and, within hours, they will have their seafood products of choice delivered right to their doorstep. According to Leon, O2O is a service already incredibly widely used in China across virtually every sector, but it is a business model that is just beginning to take form in certain Canadian industries.

As demonstrated by the far-reaching success and impact of Chinese Internet companies – such as e-commerce giant Alibaba’s record-breaking “11.11 Singles’ Day” sales of over US\$17 billion, as well as the incredible saturation of over 700 million active users achieved by Tencent’s messaging and social networking platform, Wechat, and its new mobile payment system, WePay, to name a couple – in many respects, China’s mobile and digital infrastructure has surpassed the systems available in many economies, including those in Canada. “For the most part,” Leon explains, “Canadian businesses still consist largely of traditional storefronts, and

this is especially the case for the food retail and grocery industries.” FreshOTO, where all transactions are completed via the consumer’s smartphone, adds a fresh new mobile service to Vancouver’s seafood industry.

### FINDING YOUR MARKET, KNOWING YOUR CUSTOMER

When asked about the competitive nature of the seafood market, Leon admits that he would never dream of competing against mega grocery stores and retailers. “For newcomers like myself,” says Leon, “competing with mega retailers spells instant failure.” So how has Leon’s business managed to stay afloat in Canada’s crowded seafood market? Simple: he doesn’t swim in the same waters. “I am operating a completely different model to the traditional storefront business,” he explains, “and in essence, I am not even occupying the same market as national retailers like Costco and T&T.”

Leon explains that in addition to the enhanced convenience his mobile service provides to the consumer, one of the biggest advantages his service provides over the conventional grocery store is a two-way relationship between the seller and the buyer. “There is no direct communication between a grocery store item and the consumer,” Leon says. “An item is placed on a shelf, and that’s that. A consumer cannot ask the product questions, and the item certainly cannot talk about itself. Sure, there may be a store clerk available to help

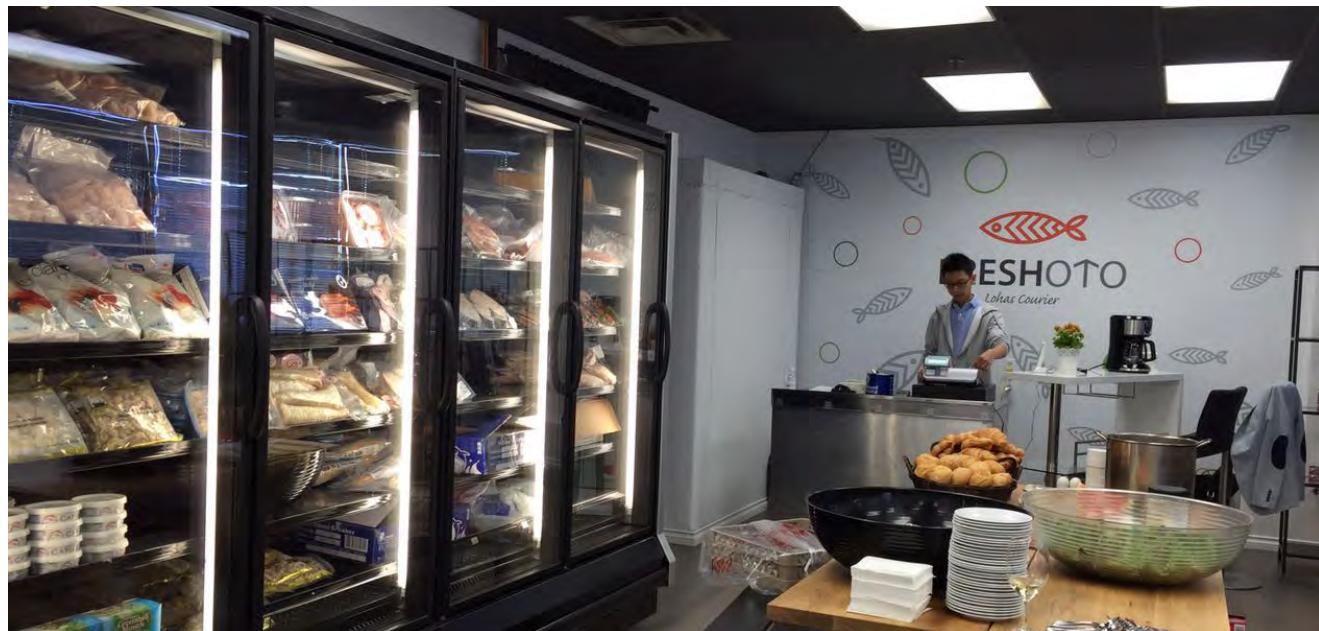


FIGURE 3. FreshOTO’s store in Vancouver.

out, but the information that they can give is ultimately limited." FreshOTO, on the other hand, allows consumers to interact and engage with the seller directly before making a purchase, a feature that Leon claims makes the whole buying process much friendlier, more transparent, and more reliable, even if it is all done remotely.

"We maintain very open communication channels," he says, "and every time we have a new product, we hold interactive sessions with our customers online, detailing things like where the product is sourced from, why it's a quality product, what's unique about the product, and so on." Cutting-edge technology has given FreshOTO that competitive edge to be more than just a seafood business – it has also created a virtual community that allows new and returning customers to ask Leon and his colleagues questions, and also to interact with one another by sharing tips, recipes, photos of their meals and food creations, and more.

That being said, Leon recognizes that his service appeals predominantly to a niche market. Yet he has reason to target only a very specific consumer base for FreshOTO – that is, a technologically literate middle-to-upper-class customer who leads a fast-paced and busy lifestyle. "We don't claim to cater to the mass market," says Leon, "but for someone who falls within the identified category, they will pay a premium if that ensures quality, freshness, and efficiency, especially when it comes to Canada's wonderful seafood products."

#### SWIMMING UPSTREAM

In this still-infant stage of his company, however, Leon's main consumer base has yet to branch out of the Chinese community in Vancouver, and FreshOTO's

mobile interface is currently available only in Chinese. Acknowledging his limited reach, Leon hopes to eventually cast a larger net in Canada by making the platform more accessible to a non-Chinese-speaking clientele. In fact, his original intent for FreshOTO was to be a bilingual platform. However, due to several unforeseen obstacles, Leon's business has grown at a slower pace than he had originally anticipated. "I initially planned to have the online platform and technological infrastructure in Canada completed much sooner," admits Leon, "but I have come to recognize that the business environment in Canada is completely different from what I am used to in China!" According to Leon, Canada has much better legal protections and benefits for employees, and the overall working culture is of a much higher quality compared to the average working conditions in China. "However, all of these upsides come at the cost of efficiency and expediency," he opines. Things happen fast in China, and what could take one month over there has taken Leon just over one year to complete here. "It's funny, because in China, I have received comments on how slow my progress has been here, but in Canada, people marvel at how quickly we've developed!" he muses.

Having thrived in China's incredibly intense business culture for most of his working life, the sudden slowdown of pace in Canada became a challenge of the opposite nature for Leon. "I realized that my original business plan was simply not suited for the Canadian work ethic, and it certainly was frustrating to see my plan delayed because of things beyond my control," he discloses. However, like any successful entrepreneur, Leon has since readjusted his strategy to adapt to new waters. For instance, given the highly competitive nature of the tech space, Leon has decided to relocate the development of his technological platform to China in order to expedite the process. "Although I entered this



FIGURE 4. Crabs and prawns from FreshOTO.



FIGURE 5. Shellfish products from FreshOTO.

space early, more people are beginning to develop similar business platforms,” he explains. After the developmental phase is completed, he plans to relocate and apply the platform to the Canadian market. “Time is of the essence – but the most difficult and stressful part of the business is over now,” says a relieved Leon.

Despite these early challenges, FreshOTO has still managed to amass over 4,000 registered users and a notable profit in its first year of operation. In fact, where other entrepreneurs may have first tested the waters before slowly easing themselves into an unfamiliar business world, Leon dove headfirst into building and expanding his company. In the dynamic and ever-changing tech space, speed has been an advantage for Leon’s company in Vancouver. At the same time, however, because of the impressive speed with which he built up SeaAlliance, Leon admits that, in retrospect, he could have devoted much more time to learning about doing business in Canada and familiarizing himself with the local culture beforehand.

### LOOKING FORWARD

“Perhaps my biggest downfall at the time was not understanding local society well enough,” he admits, thinking back on his Canadian journey so far. Beyond that, Leon also explains that certain cultural misunderstandings and challenges could have been better avoided if he had been more aware of the local resources and services available to him. Being unable to locate a central point of contact for information on local policies and practices seems to be a problem that many newcomers face, especially those looking to start a company. “I didn’t know where to turn to for a lot of things starting off,”

says Leon, citing information such as how to receive a bank loan, who to consult with for best business practices, and which services are available to help promote the new enterprise.

There still exists a prejudiced assumption that new immigrants come to Canada predominantly for the purpose of investing in real estate. However, there are a large number of newcomers like Leon who can inject fresh ideas and new services into Canada’s economy. As Leon observes, “no one uses a smartphone for the sole purpose of making phone calls anymore. Nowadays, we can do anything on our phones, and it has totally revolutionized and simplified the lifestyles of this generation.” And FreshOTO intends to bring Canada’s seafood industry into this revolution.

Indeed, if companies like SeaAlliance can realize their full potential, then new business models and technological platforms like FreshOTO can help reinvigorate the traditional methods and practices that many Canadian sectors still rely on, according to Leon. Moreover, importing technology and innovative ideas from other economies can also enhance the consumer experience, and can potentially deliver an overall positive effect on the local community. Unlocking this potential, however, requires an ongoing partnership between the efforts of the newcomer to navigate new waters and the efforts of the local government and community to help newcomers stay afloat. As for Leon, once FreshOTO takes form and matures in its first home in Canada, he intends to expand his business transnationally, using Vancouver as the main gateway to the continent and the Pacific.



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